THE BUDGET

OF THE

UNITED STATES GOVERNMENT

FOR THE FISCAL YEAR ENDING JUNE 30

1968

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1967

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price $1.50 (paper cover)

A NOTE ON THE FORMAT OF THE BUDGET

Data relating to the budget for 1968 are published in a group of five documents. *The Budget of the United States Government* is presented in a compact volume containing the Budget Message of the President and other significant data to place before the Congress the President's budgetary recommendations. This volume contains the facts and figures that most users of the budget would normally need or desire.

The Budget of the United States Government—Appendix contains the text of appropriation estimates proposed for the consideration of Congress together with specific reference materials on the various appropriations and funds, as well as supplementary schedules required by law with respect to details of personnel compensation.

The Budget of the United States Government—The District of Columbia contains the estimates for the municipal government of the District of Columbia.

A pamphlet type of publication, *The Budget in Brief*, is available for those who wish a much more concise presentation than any of the three official volumes. A second pamphlet type of publication, *Special Analyses, Budget of the United States*, contains the four special analyses which are printed in the budget, and nine additional analyses.

Budget documents for the fiscal year 1968, available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (Paper covers only.)

1. The Budget of the United States Government, 1968 ($1.50).
2. The Budget of the United States Government, 1968—Appendix ($6.50).
3. The Budget of the United States Government, 1968—The District of Columbia (45 cents).
4. The Budget in Brief, 1968 (35 cents).
5. Special Analyses, Budget of the United States, 1968 (55 cents).

TABLE OF CONTENTS

	Page
PART 1. THE BUDGET MESSAGE OF THE PRESIDENT	5
PART 2. SUMMARY TABLES	39
Table 1. Budget résumé	41
Table 2. Receipts from and payments to the public	42
Table 3. Federal receipts and expenditures in the national income accounts	43
Table 4. New obligational authority by type and function	44
Table 5. New obligational authority by agency	45
Table 6. Expenditures by agency	46
Table 7. Investment, operating, and other expenditures	47
Table 8. Relation of authorizations to expenditures	48
Table 9. Obligations incurred, net, by agency	50
Table 10. Balances of obligational authority	51
Table 11. The public debt	52
Table 12. Full-time permanent employment in the executive branch	53
PART 3. RECEIPTS	55
Analysis of receipts by source	56
Table 13. Sources of receipts	64
PART 4. THE FEDERAL PROGRAM BY FUNCTION	71
Analysis of Federal activities by function	72
National defense	75
International affairs and finance	87
Space research and technology	93
Agriculture and agricultural resources	96
Natural resources	100
Commerce and transportation	106
Housing and community development	113
Health, labor, and welfare	122
Education	136
Veterans benefits and services	142
Interest	149
General government	150
Table 14. New obligational authority and expenditures by function and agency	155
PART 5. THE FEDERAL PROGRAM BY AGENCY	169
Explanation of means of financing agency activities	170
Analysis of new obligational authority and expenditures by agency	174
Legislative branch	174
The Judiciary	186
Executive Office of the President	189
Funds appropriated to the President	193
Department of Agriculture	200
Department of Commerce	217
Department of Defense—Military	231

PART 5. THE FEDERAL PROGRAM BY AGENCY—Continued

Analysis of new obligational authority and expenditures by agency—Continued — Page

Department of Defense—Civil — 245
Department of Health, Education, and Welfare — 249
Department of Housing and Urban Development — 272
Department of the Interior — 280
Department of Justice — 300
Department of Labor — 304
Post Office Department — 311
Department of State — 313
Department of Transportation — 318
Treasury Department — 326
Atomic Energy Commission — 333
General Services Administration — 333
National Aeronautics and Space Administration — 339
Veterans Administration — 340
Other independent agencies — 344
District of Columbia — 365
Special allowances — 367
Trust funds — 368
Memorandum—Annexed budgets — 390

PART 6. SPECIAL ANALYSES — 393
A. Three measures of Federal financial transactions — 394
B. Public enterprises, trust funds, and gross expenditures of the Government — 403
C. Civilian employment in the executive branch — 416
D. Investment, operating, and other expenditures — 424
Private participation in Federal credit programs — 446

PART 7. HISTORICAL TABLES — 451
Table 15. Administrative budget totals and public debt, 1789–1968 — 452
Table 16. Consolidated cash totals and Federal sector of the national income accounts, 1940–68 — 453
Table 17. Federal finances and the gross national product, 1940–67 — 454
Table 18. Administrative budget and trust fund receipts, 1957–68 — 455
Table 19. Administrative budget and trust expenditures by function, 1957–68 — 456
Table 20. New obligational authority by function, 1957–68 — 462
Table 21. Receipts from and payments to the public, 1957–68 — 467
Table 22. Federal receipts and expenditures in the national income accounts, 1957–68 — 468

INDEX — 469

GENERAL NOTES

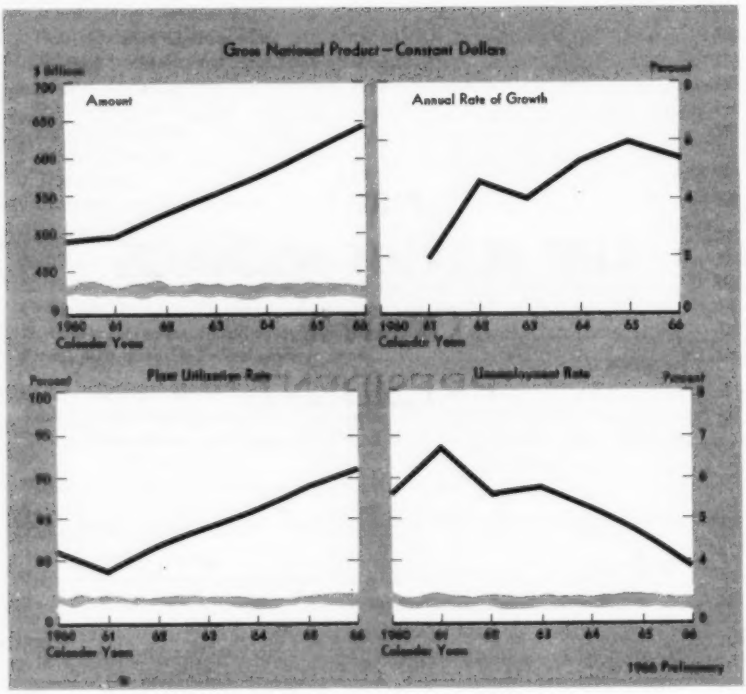
1. The estimates in the budget cover requirements under existing legislation and under legislation which is proposed for enactment by Congress.
2. Unless otherwise indicated, all references to years in this volume are to fiscal years ending June 30.
3. Details in the tables and charts may not add to the totals because of rounding.
4. Amounts shown for the Department of Transportation include, for 1966, 1967, and 1968, those separately funded organizations being transferred in their entirety. Other activities are shown in their old locations for the time prior to their transfer into the Department.

75/93-95
pp

PART 1

THE BUDGET MESSAGE OF THE PRESIDENT

Indicators of Economic Growth



BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

A Federal budget lays out a two-part plan of action:

• It proposes *particular programs*, military and civilian, designed to promote national security, international cooperation, and domestic progress.

• It proposes *total expenditures and revenues* designed to help maintain stable economic prosperity and growth.

This budget for fiscal year 1968 reflects three basic considerations:

• In Vietnam, as throughout the world, we seek peace but will provide all the resources needed to combat aggression.

• In our urgent domestic programs we will continue to press ahead, at a controlled and reasoned pace.

• In our domestic economy we seek to achieve a 7th year of uninterrupted growth, adopting the fiscal measures needed to finance our expenditures responsibly, permit lower interest rates, and achieve a more balanced economy.

In recent years, the American economy has performed superbly. Since 1963, our Nation's output has risen at an average rate of 5.5% a year. 5.3 million more people are employed and 1.2 million fewer unemployed. Industrial capacity has grown by 18%, and far less of it is idle than was the case 3 years ago.

During this past calendar year alone:

• Our Nation's gross national product — apart from price changes— has grown by nearly 5.4%.

• The unemployment rate has remained at or below 4% for the first time in 13 years.

• More than 3 million additional jobs were found in nonagricultural employment, the largest yearly gain experienced since 1942.

• Corporate profits and personal income have each grown about 8% to record levels.

We have at the same time become engaged in a major effort to deter aggression in Southeast Asia. Some $19.9 billion of the Nation's resources will go to support that effort in the current fiscal year and $22.4 billion in 1968. This past year our economy met these requirements with minimum strain and disruption.

We have also embarked upon a series of new programs to lift the quality of American life in the fields of health, education, urban development, pollution control, and the war on poverty. Yet the productivity and vitality of our economy is such that the total Federal budget in 1968, including the full costs of the Vietnam conflict, the new programs, and all of the various Federal trust funds, will account for only 1½% more of our gross national product than it did 3 years ago. Since the gross national product rose sharply over these 3 years, we have been able to meet our increased commitments abroad, move forward with urgent social programs at home, and still provide a massive expansion in goods and services available for private consumption and investment.

During the year and a half since the decision to send troops to Vietnam, consumer prices have risen 4.5% in spite of efforts to hold them down. We have, nevertheless, had considerably better success than in similar periods during World War II and the Korean conflict. Then, prices rose 13.5% and 11% respectively, even with the imposition of price and wage controls which we have avoided.

The economic performance of the past 3 years did not just happen. It grew out of the ingenuity, hard work, and imagination of all parts of American society. But the one element which provided a catalyst for all the rest was the imaginative and flexible use of Federal fiscal policy.

In 1964, and again in 1965, tax reductions were enacted which gave a strong stimulus to the economy. Idle capacity came into operation, new capacity was built, and both the numbers and productivity of the Nation's workforce rose sharply.

In late 1965 and early 1966, however, as the economy rapidly approached full capacity operation, inflationary pressures began to develop.

On two occasions, I proposed, and the Congress promptly enacted, tax changes aimed at dampening those pressures. At the same time I made every effort to postpone, stretch out, or eliminate all but the most essential Federal expenditures. Cutbacks totaling over $5 billion in program levels and $3 billion in expenditures are being undertaken by Federal agencies during the current year. These actions contributed to a welcome moderation of inflationary pressures in the latter part of 1966.

FISCAL PROGRAM FOR 1968

In the budget for 1968, I am again proposing a fiscal program tailored to meet responsibly the needs of an expanding economy. This program will require a measure of sacrifice as well as continued work and resourcefulness.

In the year ahead, defense expenditures will continue to rise as we carry out our obligations in Vietnam. After a rigorous review of civilian programs and a sharp paring of spending requests, a modest increase in domestic expenditures will be required as we press forward to meet our obligations at home. Equity also demands that we increase substantially social security benefits for our older citizens so that they share in the Nation's growing income which their own past work and investment helped to bring about. And finally, during the coming year, we must take every reasonable step to permit a continuation of the move toward easier monetary conditions and lower interest rates which is now clearly under way.

Under these circumstances, I am proposing a temporary 6% surcharge on both corporate and individual income taxes. I also ask that individuals in the lower income brackets be exempt from the surcharge. The tax should remain in effect for two years, or for such period as may be warranted by our unusual expenditures in Vietnam. I will not hesitate to recommend an earlier expiration date, however, if the fiscal requirements of our commitments in Vietnam permit such action. In addition, I recommend legislation to provide a further acceleration of certain corporate tax payments.

With these new measures, and the expenditures I am proposing, the Federal budget deficit as measured in the national income accounts will be $2.1 billion in fiscal year 1968, compared to $3.8 billion in fiscal year 1967.

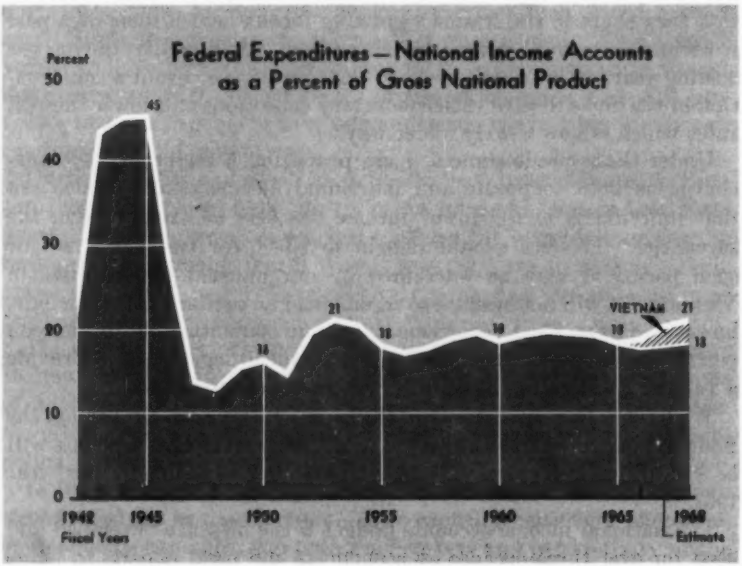
The national income accounts budget is the measure developed and used for over three decades by economists and fiscal experts to judge the impact of the Federal budget on the flow of income and production in the economy. Its measures of total Federal receipts and expenditures are the same as those used in recording the receipts and expenditures of business firms and individuals. Together with data on business and individuals, the national income accounts budget is used to build up official statistics on gross national product and national income.

Unlike the more traditional administrative budget, the national income budget:

- *includes* the large expenditures and receipts of the Federal Government's trust funds, but
- *excludes* Federal loans and receipts from the sale of loans, since these are not recorded as income or expenditures in the accounts of business firms or individuals.

I am emphasizing the national income accounts as a measure of Federal fiscal activity because the traditional administrative budget is becoming an increasingly less complete and less reliable measure of the Government's activities and their economic impact. For example,

trust fund-financed activities not reflected in the administrative budget now approximate one-third of that budget. More specifically, the fiscal year 1968 administrative budget excludes $48.1 billion of trust fund receipts and $44.5 billion of trust fund expenditures.



In addition, the treatment of lending as equivalent to spending in both the administrative and cash budgets is not suitable for an analysis of the budget's impact on the flow of national production and income.

To permit a *higher* 1968 budget deficit than the $2.1 billion involved in my fiscal recommendations would, I believe, be unacceptable. We would run substantial risks of:

- choking off the much-desired move toward lower interest rates by placing too much of our stabilization effort on the shoulders of monetary policy, and
- renewing inflationary pressures, particularly in the latter half of this year.

On the other hand, to seek a *lower* deficit or a surplus through a more restrictive fiscal program would be unwarranted and self-defeating under present economic conditions. Such a fiscal policy could depress economic activity, reduce the incomes of individuals and corporations, and thereby fail to secure the revenues it was designed to achieve.

SUMMARY OF FEDERAL RECEIPTS AND PAYMENTS

[Fiscal years. In billions]

Description	1966 actual	1967 estimate	1968 estimate
FEDERAL RECEIPTS			
National income accounts receipts—Federal sector	$132.6	$149.8	$167.1
Deduct: Timing adjustment (cash vs. accrual)	−1.2	−3.9	.4
Add: Loans repaid, differences in coverage, and other adjustments	.7	1.0	1.4
Total cash receipts from the public	134.5	154.7	168.1
Deduct: Trust fund receipts	34.9	44.9	48.1
Add: Intragovernmental transactions and other adjustments	5.1	7.2	7.0
Administrative budget receipts	104.7	117.0	126.9
FEDERAL PAYMENTS			
National income accounts expenditures—Federal sector	132.3	153.6	169.2
Deduct: Timing adjustment (cash vs. accrual)	−.3	.2	.4
Add: Loans, differences in coverage, and other adjustments	5.2	7.5	3.6
Total cash payments to the public	137.8	160.9	172.4
Deduct: Trust fund expenditures	34.9	40.9	44.5
Add: Intragovernmental transactions and other adjustments	4.0	6.8	7.1
Administrative budget expenditures	107.0	126.7	135.0
EXCESS OF RECEIPTS (+) OR PAYMENTS (−)			
National income accounts—Federal sector	+.3	−3.8	−2.1
Receipts from and payments to the public	−3.3	−6.2	−4.3
Administrative budget	−2.3	−9.7	−8.1

The economy, the budget, and the aims of our society would be jeopardized by either a larger tax increase or by large slashes in military or civilian programs. I have reviewed these programs carefully. Waste and nonessentials have been cut out. Reductions or postponements have been made wherever possible. The increases that are proposed have been carefully selected on the basis of urgent national requirements.

The Congress through the appropriations process, will, of course, subject these programs to a searching examination. I welcome that examination. But it is my judgment that major cuts cannot be made without serious impairment to vital national objectives—in defense, in

education, in health, in the rebuilding of our cities, and in the attack on poverty.

This Nation is healthy and growing. It can—and, I believe, must—continue to move forward:

- in the defense of freedom against aggression;
- in the search for international peace and cooperation; and
- in the effort to improve the quality of American life.

At this juncture in our history we have two choices:

- to stand still and mark time; or
- to press ahead responsibly and confidently.

For my part, I have chosen the latter course. That choice is reflected in my budgetary and fiscal proposals.

BUDGET SUMMARY

Federal expenditures, as measured in the *national income accounts* will rise from $153.6 billion in fiscal year 1967 to $169.2 billion in 1968. That increase is composed of four major elements:

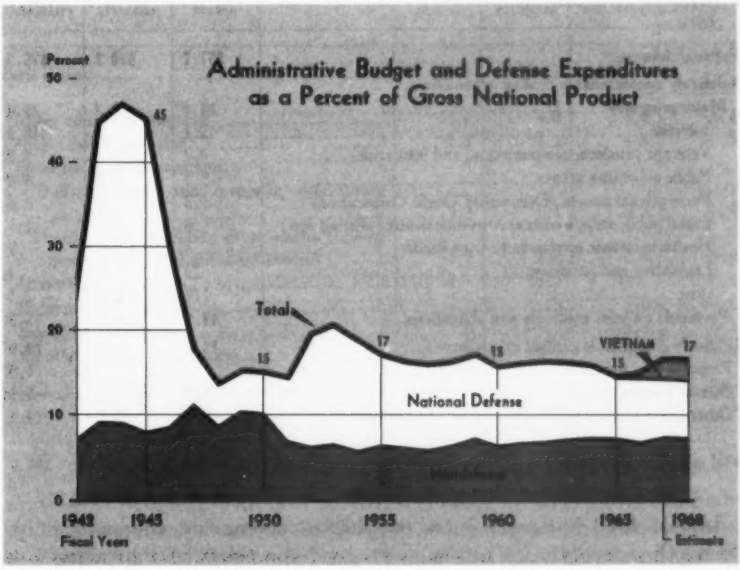
- $5.8 billion for Vietnam and other national defense outlays;
- $6.2 billion in benefits under the Federal Government's social security and other trust funds, two-thirds of which results from the new social security legislation I am proposing;
- $1 billion for the cost of military and civilian pay increases, to keep abreast of rising salaries in private industry; and
- $2.6 billion for all other programs of the Federal Government.

Federal revenues will increase more rapidly than expenditures, from $149.8 billion in fiscal year 1967 to $167.1 billion in 1968, reflecting both the growth in the economy and the effect of the tax legislation I am recommending. The Federal deficit, as measured in the national income accounts will, therefore, decline between 1967 and 1968 from $3.8 billion to $2.1 billion.

While the national income accounts budget is the most appropriate measure of the overall economic impact of the Federal budget, a discussion of *individual* Federal programs is best carried out in terms of the more conventional *administrative budget* and the various Federal *trust funds*.

Administrative budget expenditures will amount to $126.7 billion in 1967 and $135.0 billion in 1968. In these 2 years, revenues in the administrative budget are estimated to rise from $117.0 billion to $126.9 billion. As a result, the budget deficit will fall from $9.7 billion in the current fiscal year to $8.1 billion in 1968.

Administrative budget expenditures in fiscal year 1967 are $13.9 billion higher than the expenditures I estimated in my budget message a year ago. $9.6 billion of the increase is accounted for by the enlarged military program. Another $3.0 billion results from the impact of tight money on the Federal budget, and $1.3 billion from expenditure re-estimates, as workloads increased in such programs as public assistance, Medicare, and the postal service. Potential further expenditures of $2.6 billion, from Congressional additions to my 1967 authorization and appropriation recommendations, were roughly offset by the budget reductions I instituted last fall. Of the $3 billion expenditure reductions, $2.6 billion will occur in administrative budget programs and about $0.4 billion in the trust funds.



In 1968, defense outlays will account for $75.5 billion, or 56%, of the total budget. Of the remaining expenditures, some $29.4 billion, or 22%, are spent on programs under which payments are fixed by law or are otherwise uncontrollable—interest on the public debt, veterans compensation and pensions, public assistance, Federal general revenue contributions to Medicare, and the like. Another $15.3 billion or 11% will be spent in 1968 to complete contracts or obligations entered into in prior years—the purchase of mortgages under earlier commitments, the completion of construction begun in 1966 or 1967, and so forth.

The remaining $14.9 billion, or 11% of the budget, may be considered as "controllable" expenditures in 1968. And even these include such indispensable programs as law enforcement, the collection of taxes and customs, the upkeep of our national parks, and the operation of the Nation's air navigation facilities.

ADMINISTRATIVE BUDGET EXPENDITURES

[Fiscal years. In billions]

Type of controllability	1966 actual	1967 estimate	1968 estimate
National defense	**$57.7**	**$70.2**	**$75.5**
Relatively uncontrollable civilian expenditures:			
Major programs	**24.1**	**28.3**	**29.4**
Interest	12.1	13.5	14.2
Veterans pensions, compensation, and insurance	4.2	4.7	4.9
Public assistance grants	3.5	3.9	4.2
Farm price supports (Commodity Credit Corporation)	1.3	1.6	1.6
Postal public service costs and revenue deficit (existing law)	.8	1.1	1.1
Health insurance payments to trust funds		1.0	.9
Legislative and judiciary	.3	.4	.4
Other	1.8	2.2	2.3
Payments on prior contracts and obligations	**11.5**	**14.3**	**15.3**
Relatively controllable civilian expenditures	**13.6**	**13.9**	**14.9**
Proposed pay increases			1.0
Sale of financial assets	−3.0	−3.9	−5.3
Other	16.6	17.8	19.2
Total administrative budget expenditures	**107.0**	**126.7**	**135.0**

In the 1968 budget I have sought to recommend increases only where these are vitally necessary to meet the needs of a growing society. I have given particular, but selective, attention to programs designed to bring into the mainstream of American life those to whom opportunities are now denied.

At the same time, my 1968 budget incorporates substantial economies in operations. New projects under many Federal construction programs will be held to a modest level, well below the average of prior years and below the level to which they can rise when our fiscal problems are less urgent.

By 1966, Federal civilian agencies had achieved improvements in operations which netted a saving in that year of $1.7 billion compared to their level of efficiency 2 years earlier. The Defense Department's Cost Reduction Program begun in 1961 yielded savings of $4.5 billion in 1966. Those efforts will continue in fiscal years 1967 and 1968.

The effect on the Federal budget of selective expansions in high priority programs combined with economies in operation are summarized in the accompanying table.

CIVILIAN ADMINISTRATIVE BUDGET EXPENDITURES

[Fiscal years. In billions]

	1966 actual	1967 estimate	1968 estimate	Change, 1967 to 1968
Total civilian	$49.3	$56.5	$59.5	+$3.0
Major education programs	2.8	4.0	4.6	+.6
Major health programs	2.5	4.3	4.8	+.5
Other major social programs:				
Welfare, labor, and economic opportunity programs	5.1	6.1	6.5	+.4
Housing and community development, regional development, and pollution control	1.2	2.0	2.4	+.4
Interest	12.1	13.5	14.2	+.6
Proposed pay increases			1.0	+1.0
Sale of financial assets	−3.0	−3.9	−5.3	−1.4
All other civilian expenditures	28.4	30.5	31.3	+.8

In the 1968 budget I am proposing to sell $5 billion in participation certificates. These certificates are a means by which Federal credit programs can be financed, and point up the role of the Federal Government as an intermediary, assisting borrowers to find sources of credit. The sale of these certificates also has the advantage of making the cash and administrative budgets more closely akin to the national income accounts budget since, in effect, it removes the impact of new lending from the cash and administrative budget totals.

My detailed budget plans provide for the possible sale of $5,750 million of these certificates. The overall budget totals, however, make an allowance for a possible shortfall of $750 million in the actual sales of these certificates. While this tends to raise the reported deficit in the administrative budget, I have made such an allowance in order to present more conservative estimates to the Congress, taking into account the uncertainty of future conditions.

NEW OBLIGATIONAL AUTHORITY

New obligational authority recommended for fiscal year 1968 in the administrative budget totals $144.0 billion. This is an increase of $4.4 billion over the current estimate for fiscal year 1967, of which $2.5 billion is for the Department of Defense and the military assistance program combined.

Of the total new obligational authority estimated for 1968, the Congress will have to act this year on $126.5 billion. The remaining $17.5 billion will become available under "permanent" authorizations without further congressional action; interest on the public debt represents 80% of this amount. Most of the $50.2 billion in new obligational authority estimated for 1968 for trust funds represents revenues from special taxes which are also appropriated automatically.

NEW OBLIGATIONAL AUTHORITY

[Fiscal years. In billions]

Description	1966 actual	1967 estimate	1968 estimate
Total authorizations requiring current action by Congress:			
Administrative budget funds	$110.9	$123.9	$126.5
Trust funds	.5	5.1	1.7
Total authorizations not requiring current action by Congress:			
Administrative budget funds	15.5	15.7	17.5
Trust funds	36.2	45.8	48.6
Total new obligational authority:			
Administrative budget funds	126.4	139.6	144.0
Trust funds	36.7	50.8	50.2

Apart from Defense and military assistance, the 1968 new obligational authority recommended for Congressional action in the administrative budget will amount to $51.3 billion. The proposed amounts result from a thorough evaluation and review of program levels and needs and have been held to the minimum that will assure orderly progress in meeting national program objectives.

Major increases in new obligational authority, other than for the Department of Defense, include:

• $1.2 billion for the Department of Housing and Urban Development, including the newly-enacted model cities program.

• $1.0 billion for proposed civilian and military pay increases.

• $0.9 billion for the Department of Health, Education, and Welfare, mainly for public assistance, education, Medicaid, and various other health activities.

• $0.6 for the permanent appropriation for interest on the public debt.

Major decreases include:

• $1.8 billion for the Department of Agriculture, largely due to the reduced capital needs of the Commodity Credit Corporation and the proposal to establish revolving funds for the Rural Electrification Administration.

• $1 billion for the Tennessee Valley Authority since its needs for bond-issuing authority for the next several years were met by an increase of this amount granted in fiscal year 1967.

• $0.6 billion for the Post Office, reflecting proposed postal rate increases.

The 1967 estimate in the administrative budget includes $14.3 billion in recommended supplemental appropriations which the Congress is being requested to enact this year. Of this total, $12.3 billion is for support of military operations in Southeast Asia. The remaining supplemental amounts are needed mainly (1) to provide adequate financing for certain relatively uncontrollable costs which are based on eligibility and demand for services under provisions of existing law—such as for public assistance grants, postal services, and veterans' compensation and pensions and (2) to cover part of the cost of military and civilian pay increases and new programs which were enacted last year but for which appropriations were not provided. The estimates presented in this budget reflect fully this additional new obligational authority for the current year and the related expenditures.

FEDERAL PROGRAMS AND EXPENDITURES

Military forces able to defend the cause of freedom in Vietnam and to counter other threats to national security require substantial resources.

Yet we cannot permit the defense of freedom abroad to sidetrack the struggle for individual growth and dignity at home. Under my budget proposals, we will move forward at a reasonable rate the programs to broaden opportunities for the poor or disadvantaged and continue the steady advance in their effectiveness achieved in the last 3 years.

250-000 O—67——2

PAYMENTS TO THE PUBLIC

[Fiscal years. In billions]

Function	1966 actual	1967 estimate	1968 estimate
Administrative budget expenditures:			
National defense	$57.7	$70.2	$75.5
Excluding special Vietnam	(51.9)	(50.8)	(53.6)
International affairs and finance	4.2	4.6	4.8
Excluding special Vietnam	(3.9)	(4.1)	(4.3)
Space research and technology	5.9	5.6	5.3
Agriculture and agricultural resources	3.3	3.0	3.2
Natural resources	3.1	3.2	3.5
Commerce and transportation	3.0	3.5	3.1
Housing and community development	.3	.9	1.0
Health, labor, and welfare	7.6	10.4	11.3
Education	2.8	3.3	2.8
Veterans benefits and services	5.0	6.4	6.1
Interest	12.1	13.5	14.2
General government	2.5	2.7	2.8
Allowances:			
Civilian and military pay increase	----------	----------	1.0
Possible shortfall in asset sales	----------	----------	.8
Contingencies	----------	.1	.4
Interfund transactions (deduct)	.6	.8	.7
Total, administrative budget expenditures	107.0	126.7	135.0
Trust fund expenditures:			
Health, labor, and welfare	26.4	31.5	37.1
Commerce and transportation	3.8	3.7	3.7
National defense	.8	1.1	1.4
Agriculture and agricultural resources	1.2	1.4	1.2
Housing and community development	3.2	3.0	1.0
Veterans benefits and services	.6	.8	.6
All other	−.2	.1	.3
Interfund transactions (deduct)	.8	.7	.7
Total trust fund expenditures	34.9	40.9	44.5
Intragovernmental transactions and other adjustments (deduct)	4.0	6.8	7.1
Total payments to the public	137.8	160.9	172.4

To assure that the budget fully covers all the costs which we might reasonably expect in the coming year, the total includes $2.2 billion in special allowances to provide for (1) proposed increases in the pay

of military and civilian personnel, including postal employees, (2) the possibility of some shortfall in planned sales of financial assets, and (3) unforeseen contingencies and the possible costs of programs on which definite decisions have not yet been made, such as the development of a prototype supersonic air transport and a nuclear space rocket.

The highlights of the proposed Government program for 1968 follow:

National defense.—Today, our military requirements are dictated by two fundamental realities. We must continue to counter aggression in South Vietnam. We must also continue to enhance our ability to meet changing threats to our freedom and security elsewhere. The 1968 budget will insure that our forces remain equal to both these tasks.

Though small in relation to the Nation's total economic activity, the cost of honoring our commitment to South Vietnam is nevertheless substantial. Expenditures necessary to support military operations in Southeast Asia will total $21.9 billion in 1968, about three-tenths of budget expenditures for national defense. A year ago we were in the midst of a rapid buildup of our forces in Vietnam. Rather than submit a budget to the Congress based on highly uncertain estimates, I requested funds sufficient to finance the conflict through fiscal year 1967. At the present time the situation is different. While unforeseen events can upset the most careful estimate, we are in a much better position to determine our future requirements in Vietnam. As a consequence, my 1968 budget provides for those requirements on a continuing basis, including the possibility of an extension of combat beyond the end of the fiscal year.

In 1968, we will:

- Continue intensive development of Nike-X but take no action now to deploy an anti-ballistic missile (ABM) defense; initiate discussions with the Soviet Union on the limitation of ABM deployments; in the event these discussions prove unsuccessful, we will reconsider our deployment decision. To provide for actions that may be required at that time, approximately $375 million has been included in the 1968 budget for the production of Nike-X for such purposes as defense of our offensive weapon systems.
- Maintain our decisive strategic superiority by initiating procurement of the advanced Poseidon submarine-launched missile, im-

proving our present strategic missiles, and further safeguarding our capacity to direct our forces in the event of attack.

• Provide our forces in Vietnam with all the weapons and supplies they need and add to our war reserves at the same time.

• Add to the mobility and effectiveness of our general purpose forces by increasing the firepower of our ground forces, enlarging our helicopter strength, pursuing a vigorous shipbuilding and conversion program, and purchasing additional modern tactical aircraft.

• Increase our airlift and sealift capabilities by further procurement of the giant C–5A transport plane, and procurement of 5 fast-deployment logistics ships.

• Continue the vigorous research and development programs vital to maintaining the most modern, versatile, and potent forces in the world.

These sizable increases in our capabilities for nuclear, conventional, or countersubversive conflict are necessary and prudent. Nevertheless, security needs will continue to be met without waste or extravagance. Our defense programs must be conducted as efficiently and economically as possible. In 1968, the Defense Cost Reduction Program will continue to produce significant savings.

International affairs and finance.—In the long run, greater opportunities and security for our own citizens will be possible only if other peoples also share in progress toward a better and more secure life. To this end, our international programs in the coming year will emphasize helping the less developed nations to increase their food production, expand their educational opportunities, and improve the health of their citizens.

Based on a thorough review of our economic assistance objectives and programs, I will recommend new legislation and specific actions to:

• Require more effective self-help measures by recipient countries as a condition for U.S. aid;

• Increase the amount of assistance for the key sectors of agriculture, health, and education;

• Support regional arrangements and make greater use of multilateral channels through which other nations cooperatively share the costs of economic development;

• Encourage greater participation by private enterprise in the development process; and

• Concentrate our aid in those countries where successful development is most probable.

We are gratified by the achievements of the Alliance for Progress and shall continue to work closely with our hemispheric neighbors to help build schools and homes, create new jobs, and improve health and nutrition. But much remains to be done. I shall be meeting shortly with the chief executives of the other American governments to review the goals and progress of the Alliance. At that time we will consider new cooperative programs to accelerate growth in critical areas.

In South Vietnam, we will increase our economic assistance for projects directly aiding people in the villages and hamlets. This stepped-up effort is urgently needed to help these people construct their farms and houses in safety and build the foundations for a better life in that strife-torn country.

To pursue the War on Hunger more effectively, our assistance to agriculture and our Food for Freedom shipments will encourage and support efforts by the developing nations to increase their own food production. In cooperation with other nations, we will also carry out a pioneer program to find ways to utilize the vast unexploited food resources of the sea.

The International Development Association, which is managed by the World Bank, has proven an effective means of international cooperation to promote economic development. Its current resources, however, will soon be exhausted. Following the successful conclusion of negotiations between the IDA and the developed nations of the world, I will request authorization for the United States to pledge its fair share towards an additional contribution to this organization in ways consistent with our balance of payments policy. I also intend to propose legislation which will permit us to join other members in a replenishment of the Inter-American Development Bank's Fund for Special Operations.

To enable the Export-Import Bank to fulfill its role of assisting our export trade, which is so vital to our balance of payments, I am recommending that its lending authority be increased and its life extended for another five years.

Space research and technology.—In 1961, this Nation resolved to send a manned expedition to the moon in this decade. Much hard work remains and many obstacles must still be overcome before that goal is met. Yet, in the last few years we have progressed far enough that we must now look beyond our original objective and set our course for the more distant future. Indeed, we have no alternative unless we wish to abandon the manned space capability we have created.

This budget provides for the initiation of an effective follow-on to the manned lunar landing. We will explore the moon. We will learn to live in space for months at a time. Our astronauts will conduct scientific and engineering experiments in space to enhance man's mastery of that environment.

The Surveyor and Orbiter projects, in photographing the moon, have demonstrated dramatically the value of unmanned spacecraft in investigating other objects in the solar system. Accordingly, we are proceeding with the development of the Voyager system for an unmanned landing on Mars in 1973. We will also continue other unmanned investigations nearer the earth.

In recent years the National Aeronautics and Space Administration and the Atomic Energy Commission have jointly undertaken the development of nuclear rocket propulsion technology. We are now considering whether that effort should be expanded to the development of the rocket itself. The overall budget totals allow for the possibility of proceeding if an affirmative decision is reached.

These new ventures are the result of careful planning and selectivity. We are not doing everything in space that we are technologically capable of doing. Rather, we are choosing those projects that give us the greatest return on our investment.

To support these new projects and to maintain our existing programs, an increase of $82 million is requested in new obligational authority for the National Aeronautics and Space Administration for 1968. Expenditures, however, will decline by $300 million in the coming year, primarily because of reduced requirements for the manned lunar landing program.

Agriculture and agricultural resources.—Rising domestic and foreign demands have highlighted the importance of maintaining a healthy and productive agricultural economy. During the past year our surplus commodity stocks have been substantially reduced. As a result, restrictions on the production of wheat and feed grains have been eased in order to allow the Nation to maintain adequate reserves.

The increasing demand for agricultural commodities provides a favorable outlook for many of our commercial farmers. However, a large number of rural people cannot achieve an adequate income even with a prosperous agriculture. Labor requirements on the Nation's farms have declined drastically in the last quarter of a century. Unemployment and underemployment in rural areas have resulted. Consequently, rural communities are often unable to provide and maintain essential public services—good schools, modern hospitals, and other necessary community facilities—to meet today's needs.

I have directed the Secretary of Agriculture to take the lead in helping rural people achieve a quality of living comparable to other segments of our population. To this end, the Department of Agriculture will work with State and Federal agencies and with local groups to help rural communities make the best use of all existing governmental programs. In addition, legislation is needed to encourage establishment of pilot multi-county development districts.

To assure modern and efficient electric and telephone services for rural people, legislation should be enacted promptly to provide new sources of private financing for Rural Electrification Administration borrowers, while minimizing Federal outlays.

Natural resources.—My recommendations in this budget for natural resource conservation and development will help meet the most urgent needs of our people and the requirements for economic growth.

Action must be taken now to:

- Reduce water pollution in our lakes, rivers, and estuaries.
- Insure an adequate supply of pure water.
- Preserve scenic areas of irreplaceable natural beauty—scenic rivers, the Redwoods, North Cascades in the State of Washington, and the historic Potomac Valley.
- Forestall the escalation of land prices in the acquisition of Federal lands for recreational use.

The continued pollution of our rivers, lakes, and estuaries is one of the major resource problems facing this Nation. The transfer last year of the Federal Water Pollution Control Administration to the Department of the Interior now permits a major attack on the problems of water pollution in entire river basins. In 1968, the Department will also give major emphasis to reviewing and approving State standards required by the Water Quality Act of 1965.

Many regions of the country are facing increasingly critical problems of adequate supply and efficient use of water. I urge prompt enactment of legislation to establish a National Water Commission to assess our major water problems and develop guidelines for the most effective use of available water resources.

I also recommend legislation to enable the Department of the Interior to participate with the Metropolitan Water District of Southern California and the Atomic Energy Commission in developing and constructing a large prototype power and desalting plant. This will be a major step toward the development of economical projects for conversion of seawater to fresh water.

This budget provides for continued investment in the development and improvement of our vital water resources. Last fall, however, in order to help relieve inflationary pressures on the economy, I directed Federal agencies to slow down or defer construction projects wherever possible in fiscal year 1967. For 1968, I am recommending that a small number of new water resources projects be started. Advance planning will begin on a number of projects to be constructed in later years.

Authorized recreation areas must be acquired as promptly as possible to avoid speculative increases in land prices. Accordingly, I propose that an advance appropriation be made to the Land and Water Conservation Fund for this purpose.

A significant advance in research on the fundamental structure of matter will be made possible with the construction of a 200 billion electron volt accelerator by the Atomic Energy Commission. This research machine, to be located near Chicago, Illinois, is expected to provide U.S. physicists with the world's highest energy proton beam. Design funds are provided in the 1968 budget.

Commerce and transportation.—A strong and balanced national economy requires:

- Accurate and timely information;
- Efficient transportation facilities;
- Rapid communication; and
- Special aids to lagging regions and sectors of the Nation.

Accordingly, the Federal Government will augment significantly its investment in commerce and transportation programs in the year ahead. The 1968 budget provides funds to:

- Increase technical services and other aids to business;
- Undertake a special sample survey to pinpoint the social and economic needs of our people;
- Give added impetus to our efforts to encourage travel to the U.S. and our export promotion programs to improve our balance of payments;
- Support a World Weather Watch to improve long-range weather forecasting;
- Explore means for modifying the weather, and examine the implications of this new science;

- Strengthen our effort to encourage regional economic development; and
- Improve our transportation facilities and services under the leadership of the new Department of Transportation.

Our transportation programs in 1968 will include an all-out attack to reduce the alarming carnage on the Nation's highways, using the tools made available in the highway safety legislation enacted last year. We are currently considering the construction of a prototoype civil supersonic transport. The allowance for contingencies is adequate to cover the possible costs of this effort, should an affirmative decision be made to proceed.

Special emphasis will be placed on improved management and acquisition of modern facilities and equipment to increase the efficiency of our postal system, one of the largest business operations in the world. To provide improved services, to cover proposed pay increases for postal workers and largely offset the remaining postal deficit, a postal rate increase is both necessary and desirable. As required by law, I am proposing such an increase. The budget reflects $700 million in postal revenues from this source.

Housing and community development.—The problems of the American city are great and vexing. They involve the entire physical and social fabric of deteriorating central cities and rapidly growing suburbs. Trapped in the declining centers of our cities are the poor and the victims of discrimination—who lack the resources to solve their problems without outside help.

This budget provides funds to help meet these needs. Outlays for grants and loans for programs directed specifically at community development will total an estimated $1.3 billion in 1968, triple the level in 1963. Moreover, other programs providing aid to urban areas will make substantial additional amounts available.

I have directed that community development programs emphasize aids for the poor. The recently-enacted program of rent supplements is an essential element in helping the needy obtain adequate housing facilities and increasing their freedom of choice as to where they can live. To carry on this important program, I am requesting the full amount authorized for rent supplements for 1968, and urge the Congress to act favorably on this request.

To be effective, concerted attacks on city problems must be planned by the cities themselves. The new model cities program is now the primary incentive provided by the Federal Government to accom-

plish this objective. Special grants will be made to help transform entire blighted areas into attractive and useful neighborhoods. To receive these grants, cities must:

- Develop imaginative and comprehensive plans of action; and
- Enlist Federal, State, local, and private resources in a concerted effort to bring their plans to fruition.

Many cities are now planning their programs. It is essential that the funds I am requesting for these special grants be available in 1968 when these cities are ready to begin the task.

Under a new program enacted last year, further encouragement will be given to the planned development of entire metropolitan areas. Supplementary Federal grants will be made under 10 Federal aid programs in those metropolitan areas which demonstrate that they are carrying out through joint planning efforts all activities which affect metropolitan development. I urge enactment of the appropriations requested for this program.

One of the most serious difficulties in solving city problems is our inadequate knowledge about the roots and nature of these problems. I urge that sufficient funds be provided the Department of Housing and Urban Development to start a systematic research effort to acquire needed information on the causes and possible solutions for the housing and urban problems which we face today.

To be effective, our aids for community development must be put to use by competent, well-trained local employees. I am therefore requesting the appropriation of funds to initiate the authorized program for grants to States to help them provide training for State and local employees in community development programs.

The problems of the city are many; the resources, limited. More resources are essential if we are to build better cities for the future. We must start now to provide them.

Health, labor, and welfare.—The 89th Congress enacted a far-reaching series of programs to improve the health and well-being of American citizens—particularly the less fortunate.

In the year ahead we must proceed to carry out these programs effectively, and seek the revisions and additions needed to maintain our progress. This budget so provides.

Health.—The specter of inadequate health care is being removed from the aged and needy as we move ahead with the new Medicare and Medicaid programs, and with other activities aimed at bringing comprehensive modern treatment to all. With expanded Federal aid,

more medical resources will become available, including medical facilities and qualified health personnel. The Nation's system for providing health care—public and private—will be improved to make it more efficient and to insure use of the latest advances of medical science.

In 1968, we will:

- Strengthen our partnership with the States in health planning and in using broader and more flexible grants to fill gaps in health services.
- Begin operating the new regional medical programs which will narrow the gap between the advanced methods used at university hospitals and day-to-day medical practice in the community.
- Continue research and development to prevent or control diseases.
- Expand programs to increase efficiency in hospitals, clinics, nursing homes, and neighborhood health centers.

Additional measures are needed and will be proposed to:

- Extend Medicare to disabled workers.
- Expand child health services, including dental care.
- Reduce the menace of air pollution which is a threat to the health and safety of our citizens.

Labor and manpower.—My budget proposals provide increased opportunity for the disadvantaged to participate in and contribute productively to our expanding economy.

- I am recommending funds for 280,000 trainees under the Manpower Development and Training Act, an increase of 30,000 over the current year.
- Programs under that Act and those of the United States Employment Service will continue to emphasize serving the severely disadvantaged.

In addition, under programs financed by the Office of Economic Opportunity, 355,000 jobs and training will be made available for youths in the Neighborhood Youth Corps. An estimated $328 million will be provided for expanded work-training programs, primarily for adults, with special emphasis on reaching the hard-core unemployed and underemployed in slum areas.

Economic opportunity programs.—Poverty remains an ugly scar on the Nation's conscience. The war against it will be long, difficult, and costly. But we are making headway.

The $2.1 billion of new obligational authority included in the 1968 budget for the Office of Economic Opportunity will enable us to expand programs which help people rise out of poverty. The increase of $448 million over the 1967 level will be used largely for community action programs, for training programs, and for new Head Start follow-up efforts.

In addition to those helped by the work-training programs described above, the budget will provide for:

- 737,000 children in Head Start.
- $135 million for improving primary school services as a follow-up to Head Start.
- 38,000 enrollees in the Job Corps.
- 6.5 million persons to be served through other activities by 1,100 community action programs.

Benefits and services which aid the poor are being provided by a number of Federal agencies. In total, 10 agencies will devote $25.6 billion in 1968 to help the more than 31 million poor people in our Nation. This represents an increase of $3.6 billion or 16% from the current year, of which $2.0 billion will be from trust funds.

FEDERAL AID TO THE POOR

[Fiscal years. In billions]

Category	1960 actual	1963 actual	1967 estimate	1968 estimate
Education and training	$0.3	$0.3	$3.1	$3.8
Health	.7	1.0	3.6	4.2
Cash benefit payments	8.3	10.4	12.8	14.6
Services, economic and community development, and other	.7	1.2	2.5	3.1
Total funds	9.9	12.9	22.0	25.6

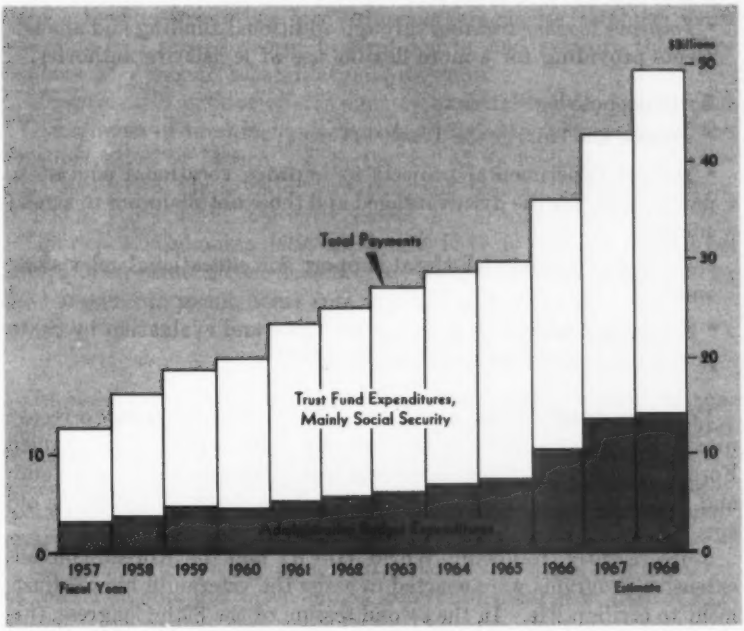
Social security and public assistance programs.—More than a third of our citizens receiving social security exist on incomes below the poverty level. Cash assistance to welfare recipients generally fails to meet even State standards of need, which are often unrealistically low. And many of the poor are not even eligible for this meager assistance. As a step toward correcting these inequities, I will propose legislation to:

- Provide an overall 20% increase in Social Security benefits for retired workers and their survivors, with a 59% increase at the bottom of the scale;

• Assure that the public assistance program provides incentives for work and training and more nearly meets economic need;

• Assure public assistance support and work training opportunities for unemployed fathers in impoverished families with dependent children.

Payments for Health, Labor, Welfare, and Education



Education.—Our Nation's greatness depends upon the full development of the talents and abilities of its citizens.

The 89th Congress wrote a memorable record in education legislation. The Elementary and Secondary Education Act of 1965 and the Higher Education Act of 1965 marked a significant advance in Federal support to help improve and enlarge educational opportunities at all levels. Our task now is to use this authority in an imaginative, creative, and responsible way.

New obligational authority for education will total $5.2 billion in 1968, $622 million more than in 1967. These funds will be used to:

• *Assist the disadvantaged* by increasing grants to improve elementary and secondary education for about 8½ million less fortunate children from low-income families and by providing new grants for education of handicapped children;

• *Encourage creative change* through an increase of almost 80% in grants for supplementary centers and other special projects designed to introduce better teaching and innovation in our educational programs.

• *Widen higher educational opportunities* by providing more than $1.1 billion in scholarships, loans, and part-time work for students, a 22% increase over 1967; and

• *Improve teacher training* through additional funding and amendments providing for a more flexible use of legislative authority.

I will propose legislation to:

• Extend and enlarge the Teachers Corps;

• Initiate experimental projects to improve vocational education, particularly for the disadvantaged and those not planning to attend college;

• Extend and expand Federal support for educational television; and

• Strengthen education program planning and evaluation by State governments and localities.

Veterans benefits and services.—This Nation continues to recognize a particular obligation to those who have served in the Armed Forces. Special programs have long been available to aid the veteran and his dependents in the event of disability, death, ill health, or old age.

More recently, following World War II and the Korean conflict, extensive programs were enacted to assist the veteran in his readjustment to civilian life. In the second session of the 89th Congress, this type of assistance was again provided, through enactment of the third major veterans readjustment benefit program or "GI bill." Upon leaving the Armed Forces, young men of recent military service will find their readjustment made easier through the availability of substantial education, training, medical, and home loan benefits.

In addition, the 1968 budget continues the improvements of the past few years in hospital staffing and the provision of new medical services and facilities. The objective is to provide both a higher quality of care and to reduce the duration of hospitalization, enabling the veteran to return sooner to his home and job.

Certain gaps currently exist in the benefits available to veterans of service in Vietnam relative to those for veterans of previous active military operations. I will propose legislation to fill these gaps so that fair and equitable treatment is provided for those who bear the brunt of the struggle in Southeast Asia. I will also submit proposals

to the Congress to remove or modify certain long-standing but outmoded or inequitable provisions of law governing veterans programs.

General government.—This Administration is determined to help our States and cities reduce crime in America. Significant strides have already been taken. The Law Enforcement Act of 1965, the Bail Reform Act of 1966, and the Prisoner Rehabilitation Act of 1965 have helped to strengthen law enforcement agencies, establish more equitable bail procedures in Federal courts, and improve the effectiveness of prisoner rehabilitation programs.

However, still greater efforts must be made. In 1965, I appointed a Commission of prominent citizens to study law enforcement and the administration of justice. With the aid of its findings, I will propose legislation for a major new program to help strengthen State and local government law enforcement and criminal justice systems.

District of Columbia citizens should have a voice in their own affairs. Our commitment to democracy demands no less. I again urge the Congress to grant home rule to the Nation's capital.

PUBLIC DEBT

On the basis of the receipts and expenditures estimated in this budget, the public debt on June 30, 1967, will be $327.3 billion, and will increase to $335.4 billion on June 30, 1968.

The temporary limit of $330 billion on the public debt under present law will expire on June 30, 1967. If no action is taken, the limit will revert on that date to the permanent ceiling of $285 billion.

The present temporary debt limit, enacted last June, was based on an estimated administrative budget deficit for fiscal year 1967 of $1.8 billion. The request then made to the Congress was for a temporary debt limit of $332 billion. In reducing this request by $2 billion, the Congress indicated that if increased costs for Vietnam or other contingencies required reappraisal of this tight limit, the Congress would take whatever action is necessary.

PUBLIC DEBT AT END OF YEAR

[Fiscal years. In billions]

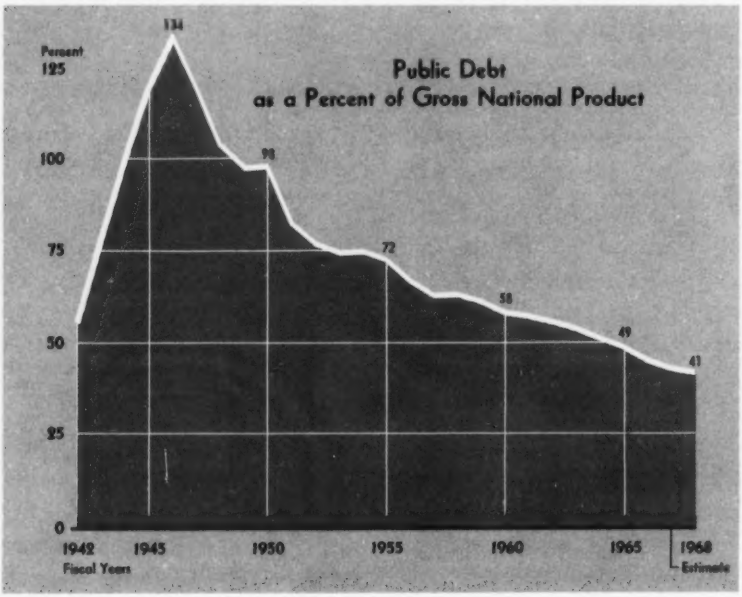
Description	1965 actual	1966 actual	1967 estimate	1968 estimate
Owned by Federal agencies and trust funds	$63.0	$66.5	$74.9	$80.0
Owned privately and by Federal Reserve banks	254.8	253.8	252.4	255.4
Total	317.9	320.4	327.3	335.4

Note.—For further details see table 11 in part 2 of this document.

The increase in the 1967 deficit, coupled with the tightness of the current limit on the outstanding debt, make an immediate increase imperative. Without such an increase, management of debt operations and other fiscal policies will be seriously hampered.

Later this year, when the fiscal requirements for 1968 are more precisely known, specific recommendations will be presented for modifications in the temporary limit for that year. The exact amounts of the revisions in the temporary limit will depend not only on the specific outlook for the fiscal year as a whole, but also on the time pattern of receipts and expenditures in prospect.

Both for 1967 and 1968 the debt limits requested will provide the margin of flexibility necessary to manage the debt most prudently—to permit the Treasury to take full advantage of the most favorable market conditions and thus avoid unnecessary interest costs or adverse effects on the economy.



IMPROVING GOVERNMENT MANAGEMENT

In the past few years, the Federal Government has undertaken an unprecedented number of forward-looking programs which promise to enrich the quality, the justice, and the opportunity of American society to an extent no one would have dared hope only a few short years ago.

But our responsibilities to the American people are not discharged with the enactment of new programs which meet the needs of the Nation. There exist two other closely related obligations of equal gravity:

> *First*, we are obligated to assure effective and economical management of governmental programs—both old and new. *Effective* management of government activities enhances the benefits of those programs. *Economical* management releases resources for the people's use.
>
> *Second*, we are obligated to maintain close and harmonious working relationships with State, county, and local governments—our partners in a new and creative federalism.

Government organization.—We have made significant strides in the last two years to improve Government organization—

- By creating the Departments of Transportation and of Housing and Urban Development.
- By transferring the Community Relations Service to the Department of Justice and the Federal Water Pollution Control Administration to the Department of the Interior.
- By reorganizing the Public Health Service of the Department of Health, Education, and Welfare, the scientific programs of the Department of Commerce, and the Bureau of Customs.

But additional action to improve the management of the Federal Government is necessary. One of the Government's major objectives is the promotion of a vigorous and growing economy. While there are many ways in which the Government pursues this objective, there are a number of highly inter-related activities now carried on sepa-

250-000 O—67——3

rately by the Departments of Labor and Commerce and several other agencies:

- Planning and execution of manpower programs designed to increase the skills and productivity of the labor force;
- Promotion of the economic development of depressed areas and regions, to help them achieve balanced economic growth;
- Provision of technical and other services to business and labor;
- Collection, dissemination, and analysis of data about economic conditions of the Nation, its various industries, and its geographic areas;
- Advising the President and carrying out national policies for improved labor-management relations.

The Secretaries of Commerce and Labor have recommended to me, and I strongly agree, that the President, the Congress and the Nation will best be served by bringing together these closely related operations into one institution headed by a single responsible official of Cabinet rank. I will, therefore, propose legislation to merge the Departments of Labor and Commerce and the functions of several related agencies into a new Department of Business and Labor.

Federal-State-local cooperation.—Our agenda must give high priority to a stronger and more effective federal system of government in the United States. To meet urgent and growing needs, the Federal Government is providing a wide range of programs to assist State and local governments. Now the chief task is to manage these programs efficiently at every level of government to assure the most effective public services. This effort will require support and action by the Congress.

At the national level the Federal Government has a responsibility to examine and improve the grant-in-aid system, making it more flexible and responsive to State and local fiscal realities. Last year we began a new partnership in health program through which numerous separate grant programs are being brought together. The model cities legislation enacted last year will also help to integrate the wide range of Federal aids available to communities. In the coming year we will examine other areas of Federal aid to determine whether additional categorical grants can be combined to form a more effective tool for intergovernmental cooperation.

Another aspect of the problem of intergovernmental cooperation has been the process of consultation with elected officials of State and local governments on matters concerning the development and administration of Federal assistance programs. Governors and local chief

executives are responsible for the management of their units of government. The Federal Government should take all practical steps to increase the role of these executives in the administration of federally aided programs. I recently instructed Federal officials to work directly with State and local chief executives to accomplish this objective.

The Federal Government has a vital stake in the workings of our federal system. Federalism is not a one-sided partnership, and the States and local governments do not exist simply to carry out programs on behalf of the National Government. When we lose sight of these facts the federal system suffers, governments work at cross purposes, and the programs fail to achieve their objectives. Our task now is to improve Federal programs and administration, while we do more to help State and local governments strengthen their machinery for planning and management.

At the same time, State and local governments must help themselves. Serious problems of modernization in State and local government can be solved only by the people directly concerned. The Federal Government cannot and should not seek to remedy their internal deficiencies of organization or obsolete restraints on financing and executive direction. The Federal Government can, however, increase its technical assistance to general units of government. As one example, we can work with State and local executives to improve budgeting and management. In a similar way, the Federal Government stands ready to cooperate with the States in developing more adequate general systems of comparative statistics—an area where State governments have great needs.

Capable personnel are essential for effective service to the public at the State and local level no less than at the national level. I am recommending legislation to broaden educational and training opportunities for students planning careers in the public service and for public employees who desire to improve their skills. Provision will also be made for financial and technical assistance to strengthen State and local personnel management and to permit interchange of personnel between the Federal Government and State and local governments.

Some States have created special offices concerned with community development, which focus their organizational and financial resources on urban problems within their borders. The work of these offices can be made more effective, and other States can be encouraged to make similar efforts, by the new program authorized last year for grants by the Department of Housing and Urban Development to States to support technical assistance and information services to their local communities. I urge the Congress to stimulate such improvements by providing the funds I am requesting for this new program.

Budgetary concepts.—As I have already made clear in this Message, some of our traditional budget concepts do not adequately portray the Federal Government's activities. The conventional administrative budget, for example, excludes the expenditures and receipts of the trust funds. Both the administrative and cash budgets treat repayable loans in the same way as nonrepayable grants or purchases. While the national income accounts budget has been carefully formulated to measure Federal activities in relation to the flow of income and production in the economy, it is not now well suited for an analysis of individual Federal programs.

For many years—under many Administrations—particular aspects of the overall budget presentation, or the treatment of individual accounts, have been questioned on one ground or another.

In the light of these facts, I believe a thorough and objective review of budgetary concepts is warranted. I therefore intend to seek advice on this subject from a bipartisan group of informed individuals with a background in budgetary matters. It is my hope that this group can undertake a thorough review of the budget and recommend an approach to budgetary presentation which will assist both public and congressional understanding of this vital document.

PLANNING-PROGRAMING-BUDGETING SYSTEM

Our most comprehensive effort to improve the effectiveness of Government programs is taking place through the Planning-Programing-Budgeting system. This system, which was initiated throughout the executive branch a little over a year ago, requires all agencies to:

- Make explicit the objectives of their programs and relate them carefully to national needs;
- Set out specific proposed plans of work to attain those objectives; and
- Analyze and compare the probable costs and benefits of these plans against those of alternative methods of accomplishing the same results.

This system is primarily a means of encouraging careful and explicit analysis of Federal programs. It will substantially improve our ability to decide among competing proposals for funds and to evaluate actual performance. The full effects of this effort will not be felt until next year and later, as the necessary data are gathered and analyses now in progress are completed.

A few examples of the kind of work which is in progress indicate the wide range of matters to which organized analysis and programing can be applied.

Disease control.—The Department of Health, Education, and Welfare has completed an analysis of the relative cost and effectiveness of selected disease control programs. Cost per life saved and other criteria of relative effectiveness were developed. These programs are being reviewed and funding priorities are being re-examined in light of these findings.

Child health.—The Department of Health, Education, and Welfare completed an analysis of alternative programs aimed at reducing infant mortality and improving child health. This analysis led to the legislative program focused on early identification and treatment of needy handicapped children and experimental projects aimed at improving delivery of medical care to children.

Urban planning.—Experimental projects in urban planning designed to link planning with budgeting are underway at the local level. These efforts should produce a more effective allocation not only of Federal outlays but also of local resources.

Agricultural research.—On the basis of a long-range study conducted by the Department of Agriculture and the land grant universities, a new set of priorities for agricultural research has been established. Increasing emphasis is being given to research on improvement of nutrition and health, efficient low-cost housing, improved community services, and other means which can help directly in raising the level of rural living.

Tax administration.—As a result of intensive analyses of the tax administration system, Internal Revenue Service programs have been steadily improved to produce higher tax collections per dollar of cost, while strengthening the emphasis on equity and voluntary compliance on which our tax administration is based.

With its emphasis on developing better methods of accomplishing program objectives, the new planning-programing-budgeting system is also helping our Government-wide cost reduction program. We will continue to offset a significant part of increased costs of important new programs by increasing efficiency throughout the Federal Government. Savings from this source have been substantial during the past year under our drive for cost reduction. I have made it clear to the heads of all Departments and agencies that they are to continue their emphasis on cost reduction in the coming year.

The careful research and analysis which is required under the planning-programing-budgeting system does not just happen. It requires the efforts of intelligent and dedicated men and women. The

number of analysts required is not large—but the need for them is great. I urge the Congress to approve the funds requested in the budgets of the various Federal agencies to make possible this improvement in the management of Federal resources.

CONCLUSION

Our Nation is stronger today than ever before. We need not, indeed we dare not, forsake our basic goals of peace, prosperity, and progress.

- The pursuit of peace is essential for the continued advancement of our Nation and all mankind.
- Prosperity and progress will lead us toward a society where all can share in the bounty of nature and the products of man's ingenuity and creativity.

At various times in the past, democracies have been criticized for their seeming inability to make hard choices—for seeking soft, easy answers to critical problems. This Nation has proven the doubters wrong time and again, and will not fall prey to such weakness now.

We can afford to achieve our goals. Let us not retreat from the task, no matter how demanding it may be.

This budget represents a careful balance of our abundant resources and our awesome responsibilities. As President, I have weighed the alternatives and made the hard choices as best I could. The responsibility for similar action now rests with the Congress. I urge your support for the goals and programs embodied in this budget for the coming fiscal year.

LYNDON B. JOHNSON.

JANUARY 24, 1967.

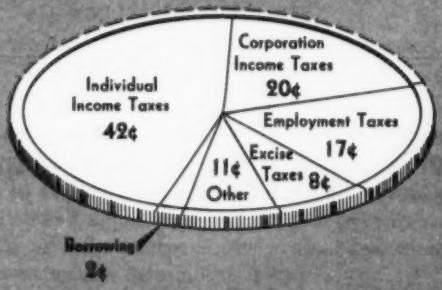
PART 2

SUMMARY TABLES

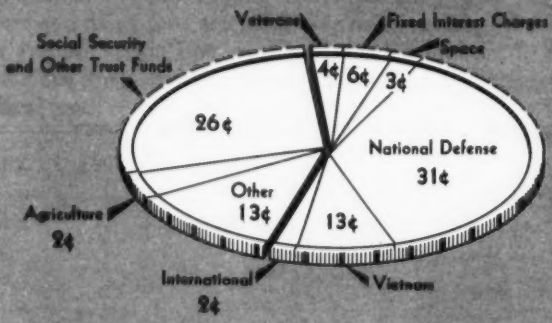
THE GOVERNMENT DOLLAR

Administrative Budget and Trust Funds

Where it comes from . . .



Where it goes . . .



Fiscal Year 1968 Estimate

Table I. BUDGET RÉSUMÉ (in billions of dollars)

ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS AND EXPENDITURES

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
RECEIPTS						
Individual income taxes	55.4	62.2	73.2			
Corporation income taxes	30.1	34.4	33.9			
Employment taxes				20.0	26.4	28.4
Excise taxes	9.1	9.3	8.8	3.9	4.5	4.9
Unemployment tax deposits by States				3.1	3.0	3.0
Other receipts	10.7	11.9	11.7	8.6	11.7	12.5
Interfund transactions	−.6	−.8	−.7	−.8	−.7	−.7
Total receipts	104.7	117.0	126.9	34.9	44.9	48.1
EXPENDITURES						
National defense	57.7	70.2	75.5	.8	1.1	1.4
International affairs and finance	4.2	4.6	4.8	.2	.1	.2
Space research and technology	5.9	5.6	5.3	*	*	*
Agriculture and agricultural resources	3.3	3.0	3.2	1.2	1.4	1.2
Natural resources	3.1	3.2	3.5	.1	.1	.1
Commerce and transportation	3.0	3.5	3.1	3.8	3.7	3.7
Housing and community development	.3	.9	1.0	3.2	3.0	1.0
Health, labor, and welfare	7.6	10.4	11.3	26.4	31.5	37.1
Education	2.8	3.3	2.8	*	*	*
Veterans benefits and services	5.0	6.4	6.1	.6	.8	.6
Interest	12.1	13.5	14.2			
General government	2.5	2.7	2.8	*	*	*
Deposit funds (net)				−.5	−.2	−.1
Allowances for:						
Civilian and military pay increase			1.0			
Possible shortfall in asset sales			.8			
Contingencies		.1	.4			
Interfund transactions	−.6	−.8	−.7	−.8	−.7	−.7
Total expenditures	107.0	126.7	135.0	34.9	40.9	44.5
Excess of receipts (+) or expenditures (−)	−2.3	−9.7	−8.1	*	+4.0	+3.6

CONSOLIDATED SUMMARY

Description	1966 actual	1967 estimate	1968 estimate
Cash receipts:			
Administrative budget receipts	104.7	117.0	126.9
Trust fund receipts	34.9	44.9	48.1
Intragovernmental and other noncash transactions	−5.1	−7.2	−7.0
Total receipts from the public	134.5	154.7	168.1
Cash expenditures:			
Administrative budget expenditures	107.0	126.7	135.0
Trust expenditures	34.9	40.9	44.5
Intragovernmental and other noncash transactions	−4.0	−6.8	−7.1
Total payments to the public	137.8	160.9	172.4
Excess of receipts from (+) or payments to (−) the public	−3.3	−6.2	−4.3

Note.—For explanation of administrative budget funds and trust funds, see page 170. For details on receipts, see table 13 on pages 64 to 69. For details on expenditures, see table 14 on pages 155 to 168; for further detail, by agency and account, see pages 174 to 391.

*Less than $50 million.

Table 2. **RECEIPTS FROM AND PAYMENTS TO THE PUBLIC (CONSOLIDATED CASH BASIS)** (in billions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
RECEIPTS FROM THE PUBLIC			
Individual income taxes	55.4	62.2	73.2
Corporation income taxes	30.1	34.4	33.9
Employment taxes	20.0	26.4	28.4
Excise taxes	13.1	13.8	13.7
Unemployment tax deposits by States	3.1	3.0	3.0
Estate and gift taxes	3.1	3.1	3.1
Customs	1.8	2.0	2.1
Veterans life insurance premiums	.5	.5	.5
Other receipts	7.5	9.2	10.1
Total receipts from the public	134.5	154.7	168.1
PAYMENTS TO THE PUBLIC			
National defense	58.5	71.3	76.8
International affairs and finance	4.5	5.3	5.0
Space research and technology	5.9	5.6	5.3
Agriculture and agricultural resources	4.1	4.1	4.1
Natural resources	3.2	3.3	3.5
Commerce and transportation	6.8	7.4	6.9
Housing and community development	3.4	3.9	1.8
Health, labor, and welfare	33.2	39.5	46.6
Education	2.8	3.3	2.7
Veterans benefits and services	5.6	7.1	6.7
Interest	9.2	9.9	10.5
General government	2.4	2.7	2.7
Deposit funds (net)	−.5	−.2	−.1
Allowances for:			
Civilian and military pay increase	----------	----------	1.0
Possible shortfall in asset sales	----------	----------	.8
Contingencies	----------	.1	.4
Other undistributed adjustments:			
Agency payments for employee retirement	−1.1	−1.1	−1.1
Deduction from employees' salaries for retirement	−1.1	−1.1	−1.1
Increase (−) or decrease in outstanding checks, etc	.9	−.1	−.1
Total payments to the public	137.8	160.9	172.4
Excess of receipts from (+) or payments to (−) the public	−3.3	−6.2	−4.3

Note.—This table shows the flow of money between the Government and the public on a cash (collections and checks-paid) basis. For fuller explanation, see Special Analysis A (pp. 394 to 402).

Table 3. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS (in billions of dollars)

BY NATIONAL INCOME ACCOUNT CLASSES

Description	1966 actual	1967 estimate	1968 estimate
RECEIPTS			
Personal tax and nontax receipts	57.9	65.5	76.8
Corporate profits tax accruals	30.7	32.3	35.3
Indirect business tax and nontax accruals	15.9	16.5	16.9
Contributions for social insurance	28.1	35.5	38.1
Total receipts, national income basis	132.6	149.8	167.1
EXPENDITURES			
Purchase of goods and services	71.7	83.6	91.9
Transfer payments	34.3	39.8	46.6
Grants-in-aid to State and local governments	12.9	14.8	16.7
Net interest paid	9.1	10.0	10.5
Subsidies less current surplus of Government enterprises	4.5	5.4	3.5
Total expenditures, national income basis	132.3	153.6	169.2
Surplus (+) or deficit (−), national income basis	+0.3	−3.8	−2.1

EXPENDITURES BY FUNCTION

Function	1966 actual	1967 estimate	1968 estimate
EXPENDITURES			
National defense	56.5	68.3	74.1
International affairs and finance	2.8	3.1	3.2
Space research and technology	5.9	5.6	5.3
Agriculture and agricultural resources	3.7	3.7	3.7
Natural resources	2.4	2.7	3.0
Commerce and transportation	6.8	7.2	6.7
Housing and community development	.6	.8	1.2
Health, labor, and welfare	33.0	39.2	46.4
Education	2.2	3.3	4.0
Veterans benefits and services	6.2	6.3	6.7
Interest	9.8	10.7	10.9
General government	2.3	2.5	2.6
Civilian and military pay increases	----------	----------	1.0
Allowances for contingencies	----------	.1	.4
Total expenditures, national income basis	132.3	153.6	169.2

Note.—For fuller explanation, see Special Analysis A (pp. 394 to 402).

Table 4. **NEW OBLIGATIONAL AUTHORITY BY TYPE AND FUNCTION**
(In billions of dollars)

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
TYPE						
Authorizations requiring current action by Congress:						
Appropriations [1]	109.0	121.2	126.3	0.4	0.5	0.8
Reappropriations	*	*	*	------	------	------
Authorizations to spend debt receipts	.8	2.0	.1	------	------	------
Contract authorizations	1.1	.7	.2	.1	4.6	.9
Total authorizations requiring current action by Congress	110.9	123.9	126.5	.5	5.1	1.7
Authorizations not requiring current action by Congress (permanent):						
Appropriations [1]	12.9	14.6	15.2	30.5	39.4	41.7
Authorizations to spend debt receipts	.2	.1	.9	.3	4.1	.2
Contract authorizations	2.3	1.0	1.4	5.4	2.3	6.7
Total authorizations not requiring current action by Congress (permanent)	15.5	15.7	17.5	36.2	45.8	48.6
Total new obligational authority	126.4	139.6	144.0	36.7	50.8	50.2
FUNCTION						
National defense	67.4	75.1	77.9	1.4	2.3	1.7
International affairs and finance	5.5	4.8	5.1	.2	*	*
Space research and technology	5.2	5.0	5.0	*	*	*
Agriculture and agricultural resources	5.0	5.1	3.1	*	*	*
Natural resources	3.4	4.5	3.6	.1	.2	.2
Commerce and transportation	3.9	4.3	3.3	4.1	4.5	5.8
Housing and community development	1.8	2.2	3.0	.7	4.6	.8
Health, labor, and welfare	9.3	11.1	12.4	29.4	38.4	40.8
Education	4.3	4.6	5.2	*	*	*
Veterans benefits and services	6.0	6.5	6.7	.7	.8	.8
Interest	12.1	13.5	14.2	------	------	------
General government	2.5	2.7	2.7	*	*	*
Allowances for:						
Civilian and military pay increases	------	------	1.0	------	------	------
Contingencies	------	.2	.8	------	------	------
Total new obligational authority	126.4	139.6	144.0	36.7	50.8	50.2

Note.—New obligational authority is the amount becoming available by act of Congress for the incurring of obligations which will result in expenditures. The various types of new obligational authority are explained on pages 170 and 173. For detailed information on new obligational authority by agency and account, see pages 174 to 391.

*Less than $50 million.

[1] Excludes appropriations to liquidate contract authorizations:
Administrative budget funds, 1966, $2.5 billion; 1967, $2.3 billion; 1968, $1.8 billion.
Trust funds, 1966, $4.6 billion; 1967, $5.1 billion; 1968, $5.4 billion.

Table 5. **NEW OBLIGATIONAL AUTHORITY BY AGENCY** (in millions of dollars)

Description	1966 enacted	1967 estimate			1968 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative branch	237	265	4	269	275	.....	275
The Judiciary	83	89	1	90	96	.....	96
Executive Office of the President	27	29	*	29	28	.....	28
Funds appropriated to the President	5,895	5,027	18	5,045	5,431	.....	5,431
Department of Agriculture	7,571	7,711	52	7,763	6,413	−412	6,001
Department of Commerce	948	1,058	8	1,066	1,160	.....	1,160
Department of Defense—Military	63,892	59,157	12,877	72,034	74,632	42	74,674
Department of Defense—Civil	1,399	1,378	4	1,382	1,370	.....	1,370
Department of Health, Education, and Welfare	9,966	11,881	436	12,317	13,085	179	13,264
Department of Housing and Urban Development	1,961	2,015	10	2,025	3,179	.....	3,179
Department of the Interior	1,617	1,724	−20	1,704	1,862	−2	1,859
Department of Justice	389	395	15	410	436	31	467
Department of Labor	704	638	.....	638	653	−3	650
Post Office Department	962	783	444	1,227	1,351	−700	651
Department of State	403	395	3	398	415	.....	415
Department of Transportation	1,479	1,800	25	1,826	1,491	−183	1,308
Treasury Department	13,102	14,463	16	14,479	15,141	−16	15,125
Atomic Energy Commission	2,366	2,199	.....	2,199	2,493	.....	2,493
General Services Administration	596	603	59	662	569	.....	569
National Aeronautics and Space Administration	5,175	4,968	.....	4,968	5,050	.....	5,050
Veterans Administration	6,003	6,306	173	6,479	6,652	−3	6,649
Other independent agencies	1,543	2,239	22	2,261	1,320	.....	1,320
District of Columbia	118	131	10	141	114	45	159
Allowances for:							
Civilian and military pay increase	.....	.....	.....	.....	.....	1,000	1,000
Contingencies	.....	.....	150	150	.....	800	800
Total administrative budget	126,439	125,253	14,308	139,562	143,217	777	143,994
TRUST FUNDS							
Department of Health, Education, and Welfare	20,993	29,679	.....	29,679	31,712	160	31,872
Department of Labor	4,124	4,146	.....	4,146	4,235	.....	4,235
Department of Transportation	4,061	4,459	.....	4,459	4,860	931	5,791
Veterans Administration	742	752	.....	752	756	.....	756
Civil Service Commission	2,823	2,989	.....	2,989	3,058	.....	3,058
Railroad Retirement Board	1,405	1,592	.....	1,592	1,590	23	1,613
Other agencies	2,535	7,207	17	7,224	2,904	1	2,906
Total trust funds	36,684	50,825	17	50,842	49,115	1,115	50,230

Note.—For explanation of the columnar headings for 1967 and 1968, see page 174.
For detailed information on new obligational authority by agency and account, see pages 174 to 391.

*Less than $500 thousand.

Table 6. **EXPENDITURES BY AGENCY** (in millions of dollars)

Description	1966 actual	1967 estimate			1968 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative Branch	232	259	4	263	269	*	270
The Judiciary	79	88	1	90	96	*	96
Exec. Office of the President	26	31	*	31	28		28
Funds appropriated to the President	4,324	4,793	13	4,806	5,466	−48	5,418
Department of Agriculture	5,949	5,901	−151	5,751	6,256	−209	6,047
Department of Commerce	673	739	7	746	996	*	997
Dept. of Defense—Military	54,409	61,194	5,756	66,950	67,608	4,692	72,300
Department of Defense—Civil	1,309	1,342	3	1,345	1,414	1	1,415
Department of Health, Education, and Welfare	7,552	10,328	418	10,746	11,687	52	11,739
Department of Housing and Urban Development	767	580	6	586	−106	3	−102
Department of the Interior	1,437	1,505	−49	1,456	1,741	−49	1,692
Department of Justice	372	413	14	426	424	21	445
Department of Labor	503	488	12	500	530	−3	527
Post Office Department	888	799	409	1,208	1,210	−665	544
Department of State	407	422	1	424	418	2	420
Department of Transportation	1,276	1,449	22	1,471	1,610	−235	1,375
Treasury Department	13,055	14,471	−11	14,460	15,137	−21	15,116
Atomic Energy Commission	2,403	2,270		2,270	2,330		2,330
General Services Administration	601	644	51	695	702	8	710
Nat'l Aeronautics & Space Admin	5,933	5,600		5,600	5,300		5,300
Veterans Administration	5,070	6,228	172	6,400	6,122	−2	6,121
Other independent agencies	275	1,032	21	1,052	650	2	651
District of Columbia	71	109	10	119	116	11	127
Allowances for:							
Pay increases						1,000	1,000
Short fall in asset sales					750		750
Contingencies			100	100		400	400
Subtotal	107,613	120,684	6,811	127,495	130,754	4,961	135,715
Interfund transactions	−635			−766			−682
Total administrative budget	106,978			126,729			135,033
TRUST FUNDS							
Department of Health, Education, and Welfare	20,770	25,438	14	25,452	26,863	4,140	31,003
Department of Labor	2,687	2,655	*	2,655	2,534		2,534
Department of Transportation	3,974	3,944		3,944	3,779	299	4,078
Veterans Administration	558	776		776	588		588
Civil Service Commission	1,670	1,992		1,992	2,050		2,050
Railroad Retirement Board	1,246	1,364	2	1,366	1,410	101	1,511
Other agencies	4,729	5,415	16	5,432	3,470	2	3,472
Subtotal	35,634	41,585	31	41,616	40,695	4,542	45,237
Interfund transactions	−770			−734			−730
Total trust funds	34,864			40,882			44,507

Note.—For explanation of the columnar headings for 1967 and 1968, see page 174. For detailed information on expenditures by agency and account, see pages 174 to 391.

*Less than $500 thousand.

Table 7. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(In millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS			
Additions to Federal assets:			
Civil:			
Loans	411	850	−1,205
Investments	151	−294	251
Public works—sites and direct construction	2,987	2,780	2,718
Other	−237	−902	−168
National defense	16,891	21,618	24,284
Total, additions to Federal assets	20,203	24,052	25,881
Additions to State, local, and private assets:			
Civil	1,398	1,922	2,553
National defense	11	9	13
Total, additions to State, local, and private assets	1,409	1,931	2,566
Expenditures for other developmental purposes:			
Civil:			
Research and development	6,949	7,175	7,180
Other	3,825	5,397	6,368
National defense:			
Research and development	7,890	8,381	8,967
Other	14	17	17
Total, other developmental expenditures	18,678	20,970	22,532
Current aids, special services, and operations:			
Civil	34,539	40,326	40,457
National defense	32,914	40,196	42,206
Total, current aids, special services, and operations	67,453	80,521	82,663
Unclassified:			
Participation sales fund	−129	−80	−77
Special allowances (see table 6 for detail)		100	2,150
Interfund transactions	−635	−766	−682
Total, administrative budget	106,978	126,729	135,033
TRUST FUNDS			
Additions to Federal assets:			
Loans	2,200	2,768	1,564
Public works	27	37	58
Other	26	41	30
Total, additions to Federal assets	2,252	2,846	1,652
Additions to State, local, and private assets	5,724	5,499	4,014
Expenditures for other developmental purposes	83	103	125
Retirement and social insurance benefits:			
Insurance and unemployment benefits	21,855	25,959	31,626
Other	2,731	3,042	3,380
Total, retirement and social insurance benefits	24,586	29,001	35,006
Current aids, special services, and operations	2,410	3,206	3,617
District of Columbia, deposit funds, and other unclassified items	580	962	822
Interfund transactions	−770	−734	−730
Total trust funds	34,864	40,882	44,507

Note.—For more information on this classification see Special Analysis D (pages 424 to 445).

Table 8. **RELATION OF AUTHORIZATIONS TO EXPENDITURES**
(In millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS			
New obligational authority (tables 4 and 5): [1]			
Current authorizations	110,942	123,903	126,541
Permanent authorizations	15,497	15,658	17,453
Total new obligational authority	126,439	139,562	143,994
Unobligated balances brought forward, start of year (table 10)	47,449	51,259	50,368
Appropriations available in prior year	−832	−913	−1,043
Appropriations available from subsequent year	913	1,043	1,054
Balances no longer available:			
Unobligated balances rescinded	−295	−1	−172
Unobligated balances lapsing	−1,154	−735	−595
Capital transfers from revolving funds to general fund	−171	−198	−197
Deficiency, in annual accounts, end of year	22		
Unobligated balances carried forward, end of year (table 10)	−51,259	−50,368	−49,557
Interfund transactions (see note to table 13)	−635	−766	−682
Obligations incurred, net (table 9)	120,477	138,883	143,170
Obligated balances brought forward, start of year (table 10)	49,623	63,151	75,280
Adjustments of obligated balances in expired accounts	97	−27	−198
Obligated balances carried forward, end of year (table 10)	−63,151	−75,280	−83,219
Balance not available, start of year	*	1	
Balance not available, end of year	−1		
Deficiency in expired accounts, start of year	−67	−22	
Deficiency appropriation [2]		22	
Total administrative budget expenditures (tables 1 and 6)	106,978	126,729	135,033
From new obligational authority			95,705
From balances of prior obligational authority			39,328

Note.—This table (administrative budget and trust fund) summarizes and brings into relationship totals from the various other tabulations. The types of new obligational authority and the considerations involved in the various means of financing agency activities are explained on pages 170 to 173.

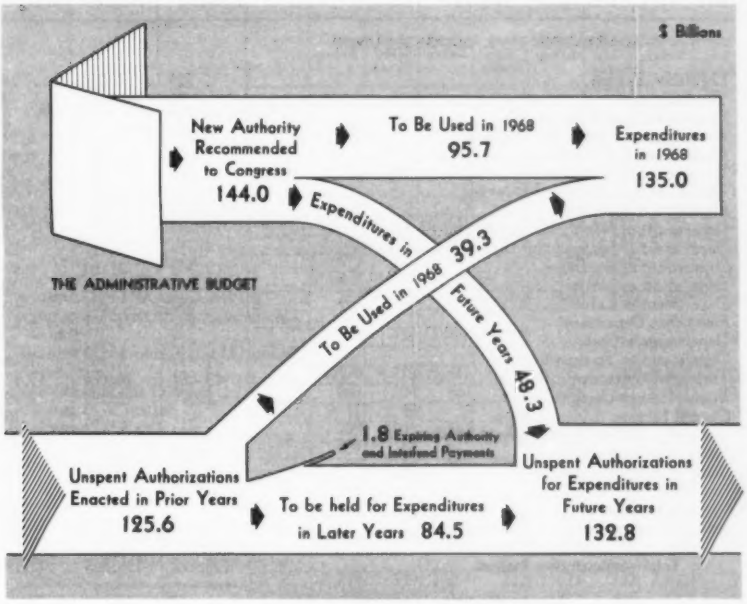
*Less than $500 thousand.

[1] Excludes appropriations to liquidate contract authorizations: 1966, $2,496 million; 1967, $2,255 million; 1968, $1,775 million.

[2] An appropriation is being requested in 1967 to cover a deficiency in the low-rent public housing fund which occurred in 1966.

Table 8. RELATION OF AUTHORIZATIONS TO EXPENDITURES—Con.

1968 Administrative Budget – Relation of Authorizations to Expenditures



(In millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS			
New obligational authority (tables 4 and 5): [3]			
Current authorizations	522	5,068	1,661
Permanent authorizations	36,162	45,774	48,568
Total new obligational authority	36,684	50,842	50,230
Unobligated balances brought forward, start of year (table 10)	63,172	65,400	76,720
Balances no longer available: Unobligated balances lapsing	−118	−5	
Unobligated balances carried forward, end of year (table 10)	−65,400	−76,720	−80,803
Interfund transactions (see note to table 13)	−770	−734	−730
Obligations incurred, net (table 9)	33,568	38,783	45,417
Obligated balances brought forward, start of year (table 10)	10,290	11,179	11,305
Obligated balances carried forward, end of year (table 10)	−11,179	−11,305	−12,857
Subtotal	32,680	38,658	43,865
Government-sponsored enterprise expenditures	2,184	2,224	642
Total	34,864	40,882	44,507
From new obligational authority			33,056
From balance of prior obligational authority			11,451

[3] Excludes appropriations to liquidate contract authorizations: 1966, $4,613 million; 1967, $5,080 million; 1968, $5,353 million.

250-000 O—67——4

Table 9. **OBLIGATIONS INCURRED, NET** (in millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS			
Legislative Branch	225	253	266
The Judiciary	81	90	96
Executive Office of the President	27	30	28
Funds appropriated to the President	5,266	5,144	5,197
Department of Agriculture	7,245	5,284	6,604
Department of Commerce	1,061	1,151	1,254
Department of Defense—Military	61,836	73,493	74,846
Department of Defense—Civil	1,361	1,415	1,488
Department of Health, Education, and Welfare	9,699	12,425	13,410
Department of Housing and Urban Development	1,419	1,477	743
Department of the Interior	1,469	1,766	1,918
Department of Justice	392	412	476
Department of Labor	652	627	646
Post Office Department	947	1,227	651
Department of State	413	413	417
Department of Transportation	1,423	1,803	1,486
Treasury Department	13,081	14,476	15,129
Atomic Energy Commission	2,371	2,593	2,493
General Services Administration	611	667	700
National Aeronautics and Space Administration	5,382	5,162	5,148
Veterans Administration	5,234	6,658	6,279
Other independent agencies	845	2,818	1,899
District of Columbia	71	119	127
Special allowances		150	2,550
Interfund transactions (see note to table 13)	−635	−766	−682
Total administrative budget	120,477	138,883	143,170
TRUST FUNDS			
Department of Health, Education, and Welfare	20,791	25,484	31,037
Department of Labor	2,670	2,655	2,534
Department of Transportation	4,061	3,452	5,025
Veterans Administration	553	895	570
Civil Service Commission	1,686	2,003	2,063
Railroad Retirement Board	1,253	1,368	1,513
Other agencies	3,325	3,661	3,405
Interfund transactions (see note to table 13)	−770	−734	−730
Total trust funds	33,568	38,783	45,417

Note.—This table reflects the net obligations incurred, as explained on pages 172 and 173. For administrative budget funds, obligations are determined by deducting from the gross obligations the applicable receipts of public enterprise funds and intragovernmental funds, and the reimbursements to general fund and special fund appropriations. For trust funds, net obligations are determined by deducting from the gross obligations the applicable receipts of trust revolving funds and the reimbursements to trust fund appropriations.

Table 10. **BALANCES OF OBLIGATIONAL AUTHORITY** (in millions of dollars)

Description	Start 1966		Start 1967—End 1966		Start 1968—End 1967		Start 1969—End 1968	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
ADMINISTRATIVE BUDGET FUNDS								
Legislative branch	41	28	31	31	15	38	6	40
The Judiciary	5	------	7	------	7	------	8	------
Executive Office of the President	4	1	5	*	3	*	3	*
Funds appropriated to the President	7,521	9,044	8,421	9,510	8,756	9,379	8,536	9,579
Department of Agriculture	4,102	846	5,400	912	4,922	3,161	5,479	2,532
Department of Commerce	583	706	952	260	1,357	169	1,615	73
Department of Defense—Military	19,499	13,637	26,891	15,781	33,433	14,073	35,979	13,871
Department of Defense—Civil	263	131	319	169	388	136	462	18
Department of Health, Education, and Welfare	2,860	434	4,947	680	6,623	586	8,294	349
Department of Housing and Urban Development	4,474	9,716	5,341	9,848	6,231	10,340	7,076	12,528
Department of the Interior	634	284	664	412	974	322	1,201	236
Department of Justice	17	47	37	38	23	32	54	19
Department of Labor	209	305	347	309	473	309	592	312
Post Office Department	487	14	547	*	566	------	673	------
Department of State	98	48	102	37	91	2	87	*
Department of Transportation	458	416	601	454	934	475	859	126
Treasury Department	69	20	94	30	109	33	116	29
Atomic Energy Commission	1,160	399	1,128	394	1,451	------	1,614	------
General Services Administration	374	299	383	278	354	263	344	130
National Aeronautics and Space Administration	2,814	540	2,261	332	1,823	137	1,671	39
Veterans Administration	304	953	465	1,655	723	1,467	881	1,640
Other independent agencies	3,646	9,458	4,211	10,008	5,973	9,335	7,220	8,644
District of Columbia	------	123	------	123	------	110	------	142
Special allowances	------	------	------	------	50	------	450	−750
Total administrative budget	49,623	47,449	63,151	51,259	75,280	50,368	83,219	49,557
TRUST FUNDS								
Department of Health, Education, and Welfare	91	22,172	48	22,374	80	26,569	114	27,404
Department of Labor	55	7,809	38	9,263	39	9,854	39	11,555
Department of Transportation	6,660	2,110	6,749	2,085	6,258	3,091	7,216	3,857
Veterans Administration	417	6,528	411	6,718	531	6,576	512	6,762
Civil Service Commission	127	15,940	143	17,077	154	18,064	167	19,059
Railroad Retirement Board	97	3,913	104	4,065	106	4,289	108	4,390
Other agencies [1]	2,843	4,705	3,686	3,817	4,137	8,276	4,701	7,776
Total trust funds	10,290	63,172	11,179	65,400	11,305	76,720	12,857	80,803

Note.—For explanation of balances carried forward see page 171.

*Less than $500 thousand.

[1] Obligated balances include deposit funds.

Table 11. **THE PUBLIC DEBT** (in millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
PUBLIC DEBT HELD BY THE PUBLIC			
Public debt held by the public, start of year	254,371	253,454	251,938
Change in public debt held by the public during the year:			
Consolidated cash excess of receipts (−) or payments (tables 1 and 2)	3,337	6,197	4,297
Receipts from exercise of monetary authority (−)	−649	−1,098	−527
Increase or decrease (−) in debt issued in lieu of checks (table A-3)	530	496	629
Increase or decrease (−) in cash on hand	−71	−3,425	.....
Net borrowing from or repayments (−) to the public	3,148	2,170	4,400
Deduct net borrowing of Government enterprises from the public (included on preceding line) (table B-10)	4,064	3,687	1,399
Net increase in public debt held by the public	−916	−1,517	3,001
Public debt held by the public, end of year	253,454	251,938	254,938
PUBLIC DEBT HELD BY GOVERNMENT-ADMINISTERED FUNDS			
Public debt held by Government-administered funds, start of year	62,903	66,453	74,842
Change in public debt held by Government-administered funds during the year (table B-11)	3,549	8,389	5,069
Public debt held by Government-administered funds, end of year	66,453	74,842	79,911
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION AT END OF YEAR			
Public debt:			
Held by the public	253,454	251,938	254,938
Held by Government-administered funds	66,453	74,842	79,911
Total public debt	319,907	326,780	334,850
Portion of Government enterprise debt subject to the public debt limitation:			
Held by the public	368	442	473
Held by Government-administered funds	94	79	77
Total public and guaranteed Government enterprise debt	320,369	327,300	335,400
Portion of public debt not subject to limitation	−266	−230	−200
Debt subject to limitation, end of year	320,102	327,070	335,200
Statutory limitation on public debt, end of year:			
Under existing legislation	328,000	330,000	285,000
Under proposed legislation	.....	.....	(1)

Note.—The first portion of this table reflects borrowing (or repayment thereof) through the issuance of U.S. securities to the public by both the Treasury and by certain "Government enterprises," a term used here to refer to activities which have authority to issue their own securities. The borrowing by such enterprises is then deducted to arrive at the changes in the public debt (a term which relates to securities issued by the Treasury). "Government-administered funds" in this table refers to activities which have authority to buy U.S. securities for investment purposes.

[1] To be proposed later after timing of estimated transactions can be examined on a more detailed basis.

Table 12. **FULL-TIME PERMANENT CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH**

Description	As of June		
	1966 actual	1967 estimate	1968 estimate
Defense and Post Office:			
Department of Defense, Military and Military Assistance	1,052,998	1,180,500	[1] 1,204,900
Post Office Department	489,898	525,000	539,300
Subtotal	1,542,896	1,705,500	1,744,200
Civilian agencies other than Post Office:			
Department of Agriculture	84,070	84,400	85,800
Department of Commerce	25,133	25,100	26,800
Department of Defense, Civil [2]	30,290	32,300	33,000
Department of Health, Education, and Welfare	91,650	95,900	99,800
Department of Housing and Urban Development	14,009	14,200	15,400
Department of the Interior	59,432	60,200	62,100
Department of Justice	33,067	33,100	33,700
Department of Labor	9,208	9,250	9,800
Department of State	24,572	25,000	25,400
Agency for International Development	14,892	16,800	17,500
Peace Corps	1,158	1,240	1,600
Department of Transportation	52,924	53,850	55,800
Treasury Department	80,176	80,900	83,200
Atomic Energy Commission	6,974	7,010	7,200
General Services Administration	35,955	36,600	37,500
National Aeronautics and Space Administration	33,526	33,600	34,000
Veterans Administration	147,634	149,300	154,200
Other agencies:			
Selective Service System	6,969	6,300	6,300
Small Business Administration	3,862	4,050	4,800
Tennessee Valley Authority	11,486	11,800	12,300
The Panama Canal	14,129	14,600	14,900
United States Information Agency	11,516	11,900	12,000
Miscellaneous agencies	30,789	31,700	32,900
Subtotal	823,421	839,100	866,000
Allowance for contingencies [3]	----------	1,900	4,800
Total	2,366,317	2,546,500	2,615,000

Note.—The figures for 1967 and 1968 include tentative estimates for employment under appropriations proposed for later transmittal. More detailed information on employment is contained in Special Analysis C on pages 416 to 423.

[1] In addition, there are approximately 41,000 civilian technicians, employed by the various States and the Commonwealth of Puerto Rico, performing operation and maintenance support services for the Army and Air Force National Guard. Legislation is being proposed to convert these technicians to direct Federal employee status in fiscal year 1968. Salaries of these technicians have been and will continue to be paid by the Federal Government.

[2] Employment of the United States Soldiers' Home is included under "Other agencies" below.

[3] Subject to later distribution.

PART 3

RECEIPTS

ANALYSIS OF RECEIPTS BY SOURCE

This section of the budget presents the estimates of revenues and the economic assumptions on which they are based. It also describes the legislative proposals which affect Government revenues.

Economic base of estimates.—The growth of the economy continued without interruption during the calendar year 1966. For the third year in a row, gross national product increased by better than 5% over the previous year. Such high growth rates were possible only because there existed in the economy unused plant, equipment, and manpower. Between the calendar years 1961 and 1966, for instance, the rate of plant utilization rose from 79% to 91% while the rate of unemployment fell from 6.7% to 3.9%.

Clearly most of the excess capacity that existed in the economy has been substantially worked off. Beginning late in 1965 and continuing into 1966, strong demands were placed on the economy, particularly by rising military purchases and expanding business investment. As a result, prices began to rise. In January 1966, the administration requested, and the Congress soon enacted, tax measures to stem inflationary pressures. In October 1966, the Government suspended for 15 months both the investment tax credit and the right to elect the most rapid accelerated depreciation tax provisions for new buildings. In addition, Federal expenditures in fiscal year 1967 are being deferred, stretched out, and cut back by $3 billion below the amounts authorized by the Congress.

The 1968 budget contemplates an easing of inflationary pressures and a continuation of the economic expansion of the past 6 years, with a gross national product of $787 billion in the calendar year 1967. The major components of the projection are summarized in the following table:

ECONOMIC ASSUMPTIONS

[Calendar years. In billions]

	1965 actual	1966 preliminary	1967 estimate
Gross national product	$681.2	$739.5	$787
Personal income	535.1	580.4	624
Corporate profits before tax	75.7	81.8	83

Estimated receipts.—The levels of personal income and corporate profits are the major determinants of Federal revenue. The expected growth in income, combined with the recommended increase in tax rates is expected to yield Federal revenues of $167.1 billion in 1968 on a *national income accounts basis*. This is an increase of $17.3 billion over fiscal year 1967.

Total Federal *cash* receipts from the public will rise to $168.1 billion in 1968, an increase of $13.4 billion from the prior year. The *administrative budget* receipts in 1968 will amount to $126.9 billion, an increase of $9.9 billion over 1967.

RELATION OF RECEIPTS IN THE FEDERAL SECTOR OF THE NATIONAL INCOME ACCOUNTS TO FEDERAL CASH RECEIPTS FROM THE PUBLIC

[Fiscal years. In billions]

	1966 actual	1967 estimate	1968 estimate
Federal receipts, national income accounts	**$132.6**	**$149.8**	**$167.1**
Plus: Exclusions from Federal sector:			
Loans repaid	.3	.4	.2
Items classified in another sector	1.0	1.4	1.7
Less: Exclusions from Federal receipts from the public:			
Excess of accruals over collections	−1.2	−3.9	+.4
Employer and employee contributions to Federal retirement funds	2.3	2.3	2.3
Plus: Miscellaneous netting, grossing and related adjustments	1.7	1.5	1.7
Equals: **Total cash receipts from the public**	**134.5**	**154.7**	**168.1**

Note.—For a fuller explanation, see Special Analysis A (pp. 394 to 402).

Differences between NIA and cash receipts.—Federal receipts in both the national income accounts and the cash budgets include revenues from the trust funds. Despite the similarity of their general order of magnitudes, however, there are some conceptual differences between the two budget measures.

For example:

- Federal receipts in the national income accounts are on an accrual or liability basis while consolidated cash receipts are on a collections basis.
- Payments on some loans (such as the post-World War II loan to the United Kingdom) which go in miscellaneous cash receipts are excluded from the Federal sector of the national income accounts because they represent an exchange of financial assets rather than an income transaction.
- Some Federal cash receipts are classified in the national accounts in other sectors of the economy, such as the District of Columbia (which is with local governments).

• Employer and employee contributions to Federal retirement funds are excluded from Federal cash receipts from the public as intragovernmental transactions.

Estimated changes in revenues.—Of the $168.1 billion cash receipts from the public in 1968, $5.5 billion is estimated to result from the proposed surcharge on individual and corporate taxes and from a speedup in certain corporate tax collections, discussed below.

Individual income tax receipts are estimated at $73.2 billion in fiscal year 1968, $11.0 billion higher than in 1967. Higher personal incomes will yield a substantial increase in receipts. In addition, the proposed 6% surcharge on individual income tax liabilities will yield $3.4 billion in 1968.

FEDERAL CASH RECEIPTS FROM THE PUBLIC

[Fiscal years. In millions]

	1966 actual	1967 estimate	1968 estimate
Administrative budget receipts:			
Individual income taxes	$55,446	$62,200	$73,200
Corporation income taxes	30,073	34,400	33,900
Excise taxes	9,145	9,300	8,800
Estate and gift taxes	3,066	3,100	3,100
Customs	1,767	1,980	2,100
Miscellaneous budget receipts	5,231	6,015	5,837
Subtotal, administrative budget receipts	104,727	116,995	126,937
Trust fund receipts:			
Employment taxes	20,022	26,445	28,392
Deposits by States, unemployment insurance	3,067	3,000	3,000
Excise taxes	3,917	4,514	4,946
Federal employees retirement systems	2,269	2,361	2,360
Interest cn trust funds	1,908	2,268	2,685
Veterans life insurance premiums	511	517	515
Other trust fund receipts	3,159	5,793	6,245
Subtotal, trust fund receipts	34,853	44,898	48,142
Intragovernmental and other noncash transactions	−5,100	−7,231	−6,973
Total cash receipts from the public	134,480	154,662	168,106

Corporate income tax receipts are estimated to be $33.9 billion in fiscal year 1968. This estimate includes an increase of $1.3 billion from the proposed 6% surcharge on corporate tax liabilities.

The change in corporate tax collections between 1967 and 1968 is affected by two additional factors. *First*, the acceleration of corporate tax collections—which was enacted in 1964 and speeded up last year—is nearing completion. This tends to reduce 1968 collections. During the period of acceleration, the amounts paid during any given period are larger—but the underlying liabilities are unaffected. The period of larger payments will be virtually completed in 1967, and in fiscal year 1968, large corporations will be paying their taxes predominantly as their liabilities accrue. *Second*, in 1968 two further measures to bring certain corporate tax collections on a more current basis will be introduced. These measures are described later.

Excise tax receipts in the fiscal year 1968 are expected to be lower by $68 million. Decreases from 1967 to 1968 will result from:

- administrative speedups in excise tax collections in 1967.
- lowering the telephone excise tax from 10% to 1% and the automobile excise from 7% to 2% on April 1, 1968, as provided in current law.

Increases in administrative budget receipts from 1967 to 1968 will result from enactment of proposed transportation user charges on airways and waterways. Proposed highway user charges will increase receipts to the trust funds. These proposals are discussed below

Miscellaneous receipts are estimated to be $5.8 billion in fiscal year 1968. This is about $200 million lower than in 1967. Significant changes are expected in the following:

- Seigniorage is expected to decline by $554 million between 1967 and 1968. Production of coins in 1967 was unusually high because of the need to avert coin shortages.
- Earnings of the Federal Reserve System transferred to the Treasury are estimated to rise by $325 million.

Employment taxes are expected to increase to $28.4 billion in 1968, $1.9 billion higher than in 1967. This increase in revenue reflects (1) an expected increase in the number of people (and the dollar volume of payrolls) covered by the social security system, as the economy continues to expand; (2) an increase in the combined tax rate on employers and employees to 8.8%, effective January 1, 1967 under present law; and (3) the proposed increase in the wage ceiling from $6,600 currently to $7,800 effective January 1, 1968.

Proposed legislation.—This section summarizes the revenue proposals recommended for action this year.

Individual income tax.—A surcharge of 6% on individual income tax liabilities is proposed, effective July 1, 1967. The proposal exempts taxpayers whose taxable incomes are wholly within the first two

ESTIMATED EFFECT OF PROPOSED LEGISLATION ON RECEIPTS FROM THE PUBLIC

[In millions]

Proposal	Fiscal year 1967	Fiscal year 1968
Administrative budget receipts:		
Income taxes:		
Proposed surcharge:		
Individual income taxes		$3,400
Corporation income taxes	$190	1,300
Accelerate corporation tax payments		800
Subtotal, income tax proposals	190	5,500
Transportation user charges:		
Tax transportation of air freight at 2%		9
Tax fuels used in general aviation at 4 cents per gallon		11
Transfer aviation gasoline tax receipts from highway trust fund		12
Repeal tax on gasoline used in commercial aviation		−6
Tax fuel used on inland waterways at 2 cents per gallon		7
Transfer 2% tax on automobiles to Beauty-Safety trust fund		−400
Subtotal, transportation user charge proposals		−367
Other user charges		8
Revolving funds:		
Rural Electrification Administration	−194	−201
Power administrations	−74	−78
Mint	−26	−22
Commodity inspection and grading and warehouse licensing fees		−4
Subtotal, revolving fund proposals	−294	−305
Other miscellaneous receipts sources		180
Total, administrative budget proposals	−104	5,016
Trust fund receipts:		
Social insurance trust funds:		
Old-age, survivors, disability, and hospital insurance for the elderly:		
Increase taxable wage base from $6,600 to $7,800		112
Extension of Medicare to disability beneficiaries who will pay $3 monthly		24
Railroad retirement program—increase tax rate on employers and employees by 1/4 of 1%		23
Highway trust fund:		
Increase diesel fuel tax and apply graduated use tax on heavy trucks		225
Transfer aviation gasoline tax receipts to general fund		−12
Beauty-Safety trust fund:		
Establish Beauty-Safety trust fund by transfer of 2% excise tax on automobiles from general fund		400
Total, trust fund proposals		772
Total, proposed legislation	−104	5,788
Legislative proposals for user charges to be applied to reducing expenditures:		
Commodity inspection and grading and warehouse licensing fees		12
Other		9

brackets. This surcharge will expire automatically June 30, 1969. The revenue estimates assume that withholding rates are increased by 6% beginning on July 1, 1967. In effect this proposal involves a 3% increase in individual income tax liabilities for the calendar year 1967, 6% for 1968, and 3% for 1969. The proposal will yield $3.4 billion in fiscal year 1968. Its effect on an individual taxpayer is illustrated in the following table.

INCOME TAX OF MARRIED COUPLE WITH TWO CHILDREN

[Calendar years 1963, 1966–68]

Wage income	1963	1966	1967	1968
$3,000	$65	$4	$4	$4
$5,000	420	290	290	290
$7,500	877	686	707	727
$10,000	1,372	1,114	1,147	1,181
$15,000	2,486	2,062	2,124	2,186
$25,000	5,318	4,412	4,544	4,677

Note.—Assumes minimum standard deduction or deductions equal to 10 percent of income, whichever is greater.

Corporation income tax.—A surcharge of 6% on corporate tax liabilities is also being proposed, effective July 1, 1967, and expiring automatically June 30, 1969. In effect this proposal involves a 3% increase in income tax liabilities for the calendar year 1967, 6% for 1968, and 3% for 1969. The revenue estimates assume that increased collections begin with the June 15, 1967, estimated tax payments of corporations. The revenue resulting from this proposal is expected to be $1.3 billion in fiscal year 1968.

A continuing effort is being made to put tax collections on a current basis. Two further accelerations in corporate payments, effective calendar year 1968, are being proposed:

- An increase from 70 to 80% that a corporation's estimated tax for any given calendar year must bear to its final tax liability. The 80% requirement is now applicable to those individuals who are required to estimate their tax liabilities. Revenue resulting from this proposal would be $400 million in fiscal year 1968.
- Elimination over a 5-year period of the present exemption on the first $100,000 of corporate tax liability from the requirement of payment on a current estimated basis. This change would put corporations on the same tax basis as an unincorporated proprietor, who now must make estimated tax payments on his entire liability. The revenue increase under this proposal is $400 million in fiscal year 1968.

Excise taxes.—Proposed legislation would transfer 2 percentage points from the automobile excise tax in the general fund to a new Beauty-Safety trust fund.

Employment taxes.—In order to help cover the proposed increases in social security benefits, legislation will be recommended to raise the taxable income base for the old-age, survivors, disability, and health insurance programs from $6,600 to $7,800 on January 1, 1968. The increase in receipts in fiscal 1968 will be $112 million. Under existing legislation, the combined tax rate on employers and employees will rise from 8.8% to 9.8%, effective on January 1, 1969. Proposed legislation would change the 9.8% to 10.0%.

User charges.—Legislation will be proposed in several areas to relieve the general taxpayer of the burden of financing programs that provide special benefits to certain individuals and groups. The user charges program also is being extended by administrative action, throughout the executive branch where legislative authority exists. All present charges are reexamined regularly to assure that they adequately reflect the costs incurred.

In the transportation area, legislation is being proposed to collect from the users a greater share of the Government's costs of providing its services. To augment Highway trust fund receipts, some additional user charges are being proposed. The tax on diesel fuel should be raised. The use tax on heavy vehicles should be increased according to a scale graduated by weight. These increases would move the contributions by operators of heavy trucks closer to a fair share of highway costs.

Additionally, legislation is being proposed to finance the building of forest and public land highways, which are part of the Federal highway system, from the Highway trust fund where it more equitably belongs rather than from the General Fund.

A 2% charge on air freight bills is being proposed, which will help to cover commercial aviation's share of the cost of the Federal airway

system. When coupled with the existing 5% levy on passenger tickets, the receipts from this proposal should be sufficient to permit repeal of the 2¢ per gallon charge on gasoline used in commercial aviation. A portion of the benefits conferred on general aviation should be met by increasing the existing charge on general aviation gasoline from 2¢ to 4¢ per gallon. A 4¢ per gallon charge on jet fuel used in general aviation is also being proposed.

A charge of 2¢ per gallon is being proposed for all fuels used on the inland waterways. The proceeds will help pay the cost of maintaining the waterways.

New and increased user charges are also being proposed in several other programs. These include: (1) various inspection services performed by the Food and Drug Administration; (2) commodity inspection and grading, and warehouse inspection and licensing by the Department of Agriculture; (3) administration of workmen's compensation and safety programs for longshoremen and harbor workers by the Department of Labor; (4) Coast Guard merchant and towing vessel inspections, and various Customs navigation services; and (5) overtime border inspections of private vessels and aircraft.

Revolving funds.—Legislation will be requested to create revolving funds for the Rural Electrification Administration and three power administrations—Bonneville, Southeastern, and Southwestern. With authority to operate through revolving funds, the agencies would be able to use collections on outstanding loans and revenues from power sales to help finance their current operations and necessary capital outlays. These agencies would remain subject to control through the regular budgetary process. A revolving fund for the Mint is also being proposed. The operating activities of the Mint would be financed in part through Mint receipts, including seigniorage. Enactment of this legislation will reduce, equally, miscellaneous receipts of the Treasury and expenditures by the agencies without affecting the surplus or deficit.

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)

[Note.—Estimates include effects of proposed legislation.]

Description	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS			
Individual income taxes:			
Withheld	42,811	49,500	59,200
Other	18,486	19,400	21,600
Gross individual income taxes	61,298	68,900	80,800
Refunds	−5,851	−6,700	−7,600
Net individual income taxes	55,446	62,200	73,200
Corporation income taxes	30,834	35,200	34,700
Refunds	−761	−800	−800
Net corporation income taxes	30,073	34,400	33,900
Excise taxes:			
Alcohol taxes:			
Distilled spirits	2,767	2,900	3,050
Beer	887	925	970
Rectification tax	27	30	32
Wines	110	119	129
Special taxes in connection with liquor occupations	22	22	22
Total, alcohol taxes	3,814	3,996	4,203
Tobacco taxes:			
Cigarettes (small)	2,006	2,070	2,200
Cigars (large)	57	58	59
Cigarette papers and tubes	1	1	1
Manufactured tobacco (chewing, smoking, and snuff) [1]	9		
All other	1	1	1
Total, tobacco taxes	2,074	2,130	2,261
Documents and other instruments:			
Issues of securities, stock and bond transfers [1] / Deeds of conveyance	146	85	45
Manufacturers' excise taxes:			
Gasoline	28	32	49
Lubricating oils used in highway vehicles [2] / Lubricating oils not used in highway vehicles [1]	68		
Passenger automobiles [3]	1,492	1,580	930
Parts and accessories for automobiles [1] / Parts and accessories for trucks [2]	190		
Electric light bulbs [1]	16	1	
Firearms, shells, and cartridges	24	30	32
Fishing rods, creels, etc	8	10	10
Pistols and revolvers	3	3	3
All other	17		
Total, manufacturers' excise taxes	1,846	1,656	1,024

See footnotes at end of table.

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Excise taxes—Continued			
Retailers' excise taxes (repealed)	108	5	
Miscellaneous excise taxes:			
General and toll telephone and teletype service [4]	908	1,200	1,020
Other communications services [1]			
Transportation of persons by air	140	199	196
Transportation of freight by air			9
Fuel used on inland waterways			7
Jet fuel			5
Admissions, exclusive of cabarets, roofgardens, etc.[5]	46		
Cabarets, roofgardens, etc.[5]	36	1	
Wagering taxes, including occupational taxes	6	7	7
Club dues and initiation fees [1]	53	2	
Sugar tax	103	116	111
Coin-operated gaming devices	16	17	18
Interest equalization tax	26	30	35
Foreign insurance policies	3	14	15
All other miscellaneous excise taxes	4	2	2
Total, miscellaneous excise taxes	1,340	1,588	1,425
Undistributed depositary receipts and unapplied collections	33	40	62
Gross excise taxes	9,362	9,500	9,020
Refunds	−217	−200	−220
Net excise taxes	9,145	9,300	8,800
Estate and gift taxes	3,094	3,130	3,130
Refunds	−28	−30	−30
Net estate and gift taxes	3,066	3,100	3,100
Customs	1,811	2,025	2,145
Refunds	−45	−45	−45
Net customs	1,767	1,980	2,100
Miscellaneous receipts:			
Miscellaneous taxes, gifts, and contributions	7	8	8
Seigniorage and bullion charges	650	1,073	519
Fines, penalties, and forfeitures	27	18	166
Fees for permits and licenses:			
Admission fees and permits	8	9	11
Business concessions	9	11	12
Immigration, passport, and consular fees	29	32	35

See footnotes at end of table.

250-000 O—67——5

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts—Continued			
Fees for permits and licenses—Continued			
Patent and copyright fees	20	26	27
Registration and filing fees	14	17	23
Landing fees, airports	3	4	5
Miscellaneous fees for permits and licenses	22	19	19
Total, fees for permits and licenses	105	118	131
Interest:			
Interest on loans to Government-owned enterprises	617	739	653
Interest on domestic loans to individuals and private organizations	89	89	96
Interest on foreign loans and deferred payments	109	180	173
Miscellaneous interest collections	31	36	38
Total, interest	847	1,044	960
Dividends and other earnings:			
Deposits of earnings, Federal Reserve System	1,713	1,850	2,175
Payment equivalent to income taxes	11	14	10
Miscellaneous dividends and earnings	7	10	9
Total, dividends and other earnings	1,731	1,873	2,195
Rents:			
Rent on Outer Continental Shelf lands	162	350	365
Rent of land and other real property	36	37	38
Rent of equipment and other personal property	37	39	39
Total, rents	235	427	442
Royalties:			
Royalties on Outer Continental Shelf lands	86	50	65
Miscellaneous royalties	121	131	132
Total, royalties	208	181	197
Sale of products:			
Sale of timber and other natural land products	223	239	247
Sale of power and other utilities	241	109	111
Sale of minerals, publications, and other products and byproducts	30	39	25
Total, sale of products	494	387	383

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts—Continued			
Fees and other charges for services and special benefits:			
Fees, and other charges for administrative, professional, and judicial services	29	25	26
Fees and other charges for communication and transportion services	14	15	4
Fees for general governmental services (including services to District of Columbia)	24	23	26
Other fees and charges	60	92	96
Total, fees and other charges for services and special benefits	127	155	152
Sale of Government property:			
Sale of real property	83	76	71
Sale of equipment and other personal property	824	791	912
Sale of scrap and salvage material	38	40	45
Total, sale of Government property	944	908	1,028
Realization upon loans and investments:			
Repayments from States and other public bodies	102	47	17
Repayments of domestic loans to individuals and private organizations	161	1	1
Repayment of foreign loans	85	352	171
Repayment on miscellaneous recoverable costs	6	5	6
Miscellaneous repayments on loans and investments	6	7	6
Total, realization upon loans and investments	359	412	201
Recoveries and refunds:			
Recoveries under military occupation	35	36	37
Recoveries of excess profits and costs	15	15	15
Recoveries under foreign aid programs	44	87	45
Other recoveries and refunds	38	39	41
Total, recoveries and refunds	132	177	137
Gross miscellaneous receipts	5,865	6,781	6,518
Refunds			
Net miscellaneous receipts	5,865	6,781	6,518
Interfund transactions [6]	−635	−766	−682
Total, administrative budget receipts	104,727	116,995	126,937

See footnotes at end of table.

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS			
Employment taxes:			
Federal old-age and survivors insurance trust fund	16,686	20,820	22,020
Federal disability insurance trust fund	1,458	2,070	2,169
Federal hospital insurance trust fund	862	2,470	3,103
Railroad retirement accounts	684	747	835
Unemployment trust fund	567	589	597
Refunds	−234	−252	−332
Net employment taxes	20,022	26,445	28,392
Unemployment tax deposits by States:			
Unemployment trust fund	3,067	3,000	3,000
Excise taxes:			
Highway trust fund:			
Gasoline tax	2,802	3,143	3,020
Automobile truck, bus, and trailer taxes	442	587	510
Tire, inner tube, and tread rubber taxes	497	537	526
Tax on diesel and lubricating fuels used on highways	187	293	276
Use tax on certain vehicles	102	116	118
Truck parts and accessories [2]	7	51	41
Proposed legislation			207
Refunds	−120	−213	−152
Beauty-Safety trust fund			400
Net excise taxes	3,917	4,514	4,946
Federal employees and agency payments for retirement:			
Federal employees retirement funds	2,269	2,361	2,360
Interest on trust funds:			
Federal old-age and survivors insurance trust fund	588	713	874
Federal disability insurance trust fund	60	65	81
Health insurance trust funds	7	71	105
Railroad retirement accounts	150	164	172
Unemployment trust fund	309	379	461
Federal employees retirement funds	548	622	693
Veterans life insurance funds	224	229	235
Other trust funds	22	25	63
Interest on trust funds	1,908	2,268	2,685
Veterans life insurance premiums:			
Veterans life insurance funds	511	517	515

See footnotes at end of table.

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS—Continued			
Miscellaneous trust fund receipts:			
Payments by States to:			
Federal old-age and survivors insurance trust fund	1,392	1,581	1,698
Federal disability insurance trust fund	114	157	168
Federal hospital insurance trust fund	47	176	239
Federal supplemental medical insurance trust fund	----	1,246	1,316
Foreign assistance deposits	708	1,104	1,376
District of Columbia	436	528	571
Other trust fund receipts	1,231	1,736	1,607
Net miscellaneous trust fund receipts	3,928	6,527	6,975
Subtotal, trust fund receipts	35,622	45,632	48,872
Interfund transactions [6]	−770	−734	−730
Total, trust fund receipts	34,853	44,898	48,142
Intragovernmental and other noncash transactions	−5,100	−7,231	−6,973
Total, cash receipts from the public	134,480	154,662	168,106

[1] Repealed as of Jan. 1, 1966.
[2] Transferred to Highway trust fund as of Jan. 1, 1966.
[3] Under existing legislation will be reduced from 7% to 2% on Apr. 1, 1968.
[4] Under existing legislation will be reduced from 10% to 1% on Apr. 1, 1968.
[5] Repealed as of noon, Dec. 31, 1965.
[6] Interfund transactions are as follows (in millions of dollars):

	1966 actual	*1967 estimate*	*1968 estimate*
Administrative Budget			
Interest on loans to Government-owned enterprises:			
Commodity Credit Corporation	302	346	304
Expansion of defense production	14	35	29
Export-Import Bank of Washington	14	19	10
Housing and Urban Development	138	141	128
Panama Canal Company	12	12	12
Small Business Administration	39	48	47
Veterans Administration	34	20	22
Saint Lawrence Seaway Development Corporation	5	5	5
Power marketing agencies (proposed)	---	45	50
Other	59	67	46
Fees and other charges:			
Southwestern Power Administration	---	3	3
Bonneville Power Administration	---	7	7
Panama Canal Company for annuity payment and cost of Canal Zone government	17	16	19
Total, administrative budget	635	766	682
Trust Funds			
Payments to employees' retirement fund receipts:			
District of Columbia government	9	9	10
District of Columbia employees' pay deductions	9	9	10
Payments between funds:			
FOASI fund from Federal disability insurance fund	7	---	---
FOASI from Federal supplementary medical insurance trust fund	---	1	---
Railroad retirement account from:			
FOASI trust fund	444	532	477
Unemployment trust fund	92	91	90
Federal disability insurance fund	25	28	21
Civil service retirement and disability fund to Foreign Service retirement fund	1	1	1
Unemployment trust fund from railroad retirement account	41	39	39
Federal hospital insurance trust fund from railroad retirement account	---	16	46
National Park Service from District of Columbia	---	7	11
Foreign Claims Settlement Commission from alien property and claims funds	142	---	26
Total, trust funds	770	734	730

PART 4

THE FEDERAL PROGRAM BY FUNCTION

ANALYSIS OF FEDERAL ACTIVITIES BY FUNCTION

This section of the budget describes the main components of the program recommended for the Government for fiscal year 1968. It covers, for each of 12 major functions served, programs financed by both administrative budget accounts and trust funds.

SUMMARY

The Federal revenue and expenditure decisions reflected in the 1968 budget have been tailored to promote continued high employment, maximum utilization of our resources, and a steadily advancing economy with relatively stable prices. They also have been designed to permit an easing in monetary policy leading to lower interest rates and a more balanced pattern of economic growth.

As measured in the national income accounts, there will be a modest deficit in fiscal year 1968, amounting to $2.1 billion.

The ***national income accounts budget*** is the best measure of the Federal Government's economic impact. Federal expenditures and receipts in this budget are part of a consistent set of economic accounts for the Nation as a whole. It is from these accounts that data are drawn which measure the *gross national product* and *national income*—hence the name "national income accounts." The Federal Government's transactions are recorded on the same basis as those of private individuals and firms and State and local governments.

The national income accounts budget differs from the administrative budget in three major ways:

- It *includes* all of the revenues and expenditures of the trust funds, since they affect the income of individuals and State and local governments.
- It *excludes* Federal loan expenditures (and receipts) since they do not represent additions to income. In a similar vein, private individuals and firms do not count the proceeds from loan transactions as part of their income.
- It counts Federal revenues when the tax liabilities are *accrued* by individuals and firms rather than when they are *collected* by the Government, since this is the way in which private income statements are generally kept.

In fiscal year 1968, total Federal expenditures in the national income accounts are estimated to be $169.2 billion, an increase of $15.6 billion

over 1967. Defense outlays will account for $5.8 billion of the increase. Expenditures of the various trust funds, mainly social security and related benefits, will account for another $6.2 billion, the proposed military and civilian pay raise for $1 billion, and all other programs for the remaining $2.6 billion. Federal receipts are estimated to rise by $17.3 billion to a total of $167.1 billion. The increase reflects primarily growth in the economy and the proposed changes in taxes on individuals and corporations in fiscal year 1968.

The following are the three major components of Federal expenditures as recorded in the national income accounts:

Direct Federal purchases of goods and services reflect a direct use of resources by the Federal Government to meet the requirements of defense, space, public works, and other Government programs. They include such items as the purchase of a missile, the construction of a research facility, or the pay of Federal employees. These purchases are estimated to total $91.9 billion in 1968 and will account for approximately 11% of gross national product, up slightly from 1967. Purchases for national defense purposes in 1968 are expected to take less than 9% of GNP, about the same proportion as in 1967, but considerably below the 13½% in the Korean war year of 1953.

Transfer payments represent cash benefits paid under various Government programs, which help maintain the purchasing power of millions of retired, disabled, or unemployed persons. They are expected to rise by $6.8 billion over 1967 to a total of $46.6 billion in 1968. Most of this rise is for social security benefits, including the increase proposed to become effective June 1, 1967.

Grants-in-aid provide cooperative financing for essential public services, such as highways, education, public health, and public assistance. Grant outlays have risen steadily and substantially in recent years. They will continue to increase in 1968 to an estimated $16.7 billion, compared with $14.8 billion in 1967.

While the national income accounts data represent the best measure of the fiscal impact of the Federal budget, detailed program decisions and descriptions are most appropriately discussed on the basis of the ***consolidated cash budget.*** This budget combines all administrative and trust fund expenditures. Moreover, the cash budget includes the Federal Government's loan and credit transactions. These are properly excluded from the national income accounts budget, since they do not represent income transactions. But they are relevant to a description and review of the Federal Government's activities in various program fields. Accordingly, the remaining materials in this

section of the budget—covering the 12 functional categories—are based on the consolidated cash concept.

PAYMENTS TO THE PUBLIC

[Fiscal years. In millions]

Function	1966 actual	1967 estimate	1968 estimate
Administrative Budget Expenditures:			
National defense	$57,718	$70,222	$75,487
Excluding special Vietnam	(51,906)	(50,803)	(53,587)
International affairs and finance	4,191	4,608	4,797
Excluding special Vietnam	(3,909)	(4,075)	(4,251)
Space research and technology	5,933	5,600	5,300
Agriculture and agricultural resources	3,307	3,035	3,173
Natural resources	3,120	3,226	3,518
Commerce and transportation	2,969	3,495	3,089
Housing and community development	347	890	1,023
Health, labor, and welfare	7,574	10,389	11,304
Education	2,834	3,304	2,816
Veterans benefits and services	5,023	6,394	6,124
Interest	12,132	13,508	14,152
General government	2,464	2,725	2,781
Allowances:			
Civilian and military pay increase			1,000
Possible shortfall in asset sales			750
Contingencies		100	400
Interfund transactions (deduct)	635	766	682
Total, administrative budget expenditures	106,978	126,729	135,033
Total, administrative budget expenditures, excluding special Vietnam	(100,884)	(106,777)	(112,587)
Trust Fund Expenditures:			
Health, labor, and welfare	26,384	31,477	37,111
Commerce and transportation	3,751	3,722	3,738
National defense	760	1,138	1,370
Agriculture and agricultural resources	1,151	1,382	1,224
Housing and community development	3,202	2,999	981
Veterans benefits and services	565	770	557
All other	−178	126	255
Interfund transactions (deduct)	770	734	730
Total trust fund expenditures	34,864	40,882	44,507
Intragovernmental transactions and other adjustments (deduct)	4,026	6,752	7,137
Total payments to the public	137,817	160,859	172,403
Total payments to the public, excluding special Vietnam	(131,723)	(140,907)	(149,957)

In addition to the expenditures estimated in the functional categories, the budget includes $2.2 billion in allowances for fiscal year 1968. This estimate covers (1) proposed increases in the pay of Federal civilian (including postal) and military personnel, (2) the possibility of some shortfall in planned sales of financial assets, and (3) unforeseen contingencies which might arise during the year, including matters which are still under study and for which later decisions will be made, such as development of a prototype civil supersonic air transport and of a nuclear rocket under the joint NASA–AEC Rover program.

NATIONAL DEFENSE

The national defense program for the current and coming fiscal year bears the deep imprint of our commitment to preserve the independence of South Vietnam and to bring peace to that nation.

While a large part of our defense expenditures in 1968 reflects the cost of operations in Vietnam, the bulk of our defense outlays continues to be devoted to forces assigned to other missions. Over the past 5 years we have greatly improved our capabilities for nuclear, conventional, and countersubversive conflict. The 1968 budget provides for further improving these forces. At the same time, pains have been taken to scale down programs not essential to combat readiness and to seek further savings from cost reduction efforts.

Total outlays for national defense programs are estimated to rise again in 1968 to $76.8 billion, compared with $71.3 billion in 1967 and $58.5 billion in 1966.

Department of Defense.—Total expenditures for the military functions of the Department of Defense are estimated at $72.3 billion in 1968, $5.4 billion more than in 1967 and $17.9 billion more than in 1966. New obligational authority of $74.7 billion is proposed for the Department compared with $72.0 billion for the current year, including supplemental requests being transmitted separately to the Congress. The request of $12.3 billion for 1967 for the support of military operations in Southeast Asia is the largest portion of the total supplemental funds needed.

In planning the 1967 budget, when the most rapid phase of our military buildup in Southeast Asia was occurring, it was difficult to determine requirements a full 18 months in advance. Rather than request an amount not based on firm requirements, it was decided to defer the request for additional funds until those requirements became better known. Although uncertainties still remain as to the duration and intensity of the conflict in Vietnam, these uncertainties

NATIONAL DEFENSE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Department of Defense—military:				
Military personnel:				
Present programs	$16,753	$20,200	$21,800	$22,001
Proposed legislation	.....	.....	23	24
Operation and maintenance:				
Present programs	14,710	18,600	19,000	19,136
Proposed legislation	.....	.....	17	18
Procurement	14,339	18,465	21,632	22,917
Research, development, test, and evaluation	6,259	6,700	7,200	7,273
Military construction	1,334	1,600	1,600	2,123
Family housing	647	570	582	814
Civil defense	86	97	100	111
Revolving and management funds and other	281	718	346	257
Subtotal, Department of Defense—military	54,409	66,950	72,300	74,674
Subtotal, excluding special Vietnam	(48,597)	(47,531)	(50,400)	(54,074)
Military assistance	968	1,000	800	596
Atomic energy	2,403	2,270	2,330	2,493
Defense-related activities:				
Stockpiling of strategic and critical materials	16	20	20	18
Expansion of defense production	−152	−93	−32	.....
Selective Service System	54	60	58	57
Emergency preparedness activities	20	14	11	12
Subtotal, administrative budget	57,718	70,222	75,487	[1] 77,851
Subtotal, administrative budget, excluding special Vietnam	(51,906)	(50,803)	(53,587)	(57,251)
Trust Funds:				
Military assistance	751	1,115	1,363	1,697
Other	9	23	8	8
Subtotal, trust funds	760	1,138	1,370	[1] 1,705
Intragovernmental transactions and other adjustments (deduct)	14	35	29	
Total	58,464	71,325	76,828	
Total, excluding special Vietnam	(52,652)	(51,906)	(54,928)	

[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $67,364 million; 1967, $75,108 million.
Trust funds: 1966, $1,402 million; 1967, $2,346 million.

are now less pronounced than previously. Barring unforeseen developments in Vietnam or elsewhere in the world, the 1968 budget should be adequate to support operations for the entire year and to assure the availability of critical long lead-time items until fiscal year 1969 funds are provided.

The extent to which the conflict in Vietnam has influenced the Defense budget over the past few years is indicated in the table below. Although our ability to conduct military operations in Southeast Asia is underpinned by the entire defense budget, the data shown in the table represent the costs which are clearly attributable to special efforts in that area and in excess of what might have been the defense budgets for the years shown in the absence of the Vietnam conflict.

ESTIMATED NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES FOR SPECIAL SUPPORT OF VIETNAM OPERATIONS

[In millions]

Fiscal year	New obligational authority	Expenditures	Expenditures excluding Vietnam
1965	$700	$103	$46,070
1966	14,946	5,812	48,597
1967	21,969	19,419	47,531
1968	20,600	21,900	50,400

The scope of our activities in Vietnam is reflected also in our military forces committed in that nation's defense.

TOTAL MILITARY PERSONNEL AND DEPLOYMENTS TO SOUTHEAST ASIA

[In thousands]

Date	Total military personnel	Military personnel in Southeast Asia
June 30, 1964	2,685	21
June 30, 1965	2,653	103
June 30, 1966	3,092	322
December 31, 1966, estimate	3,329	455

In addition to fulfilling our commitments in Vietnam, funds provided in the 1968 budget will be ample to (1) maintain our commanding superiority in strategic forces, (2) provide further increases in the firepower and mobility of conventional war forces, and (3) forge ahead in research and development programs for weapons and other military systems needed to ensure our continued superiority in the future.

The Defense budget program is summarized in the table below in terms of total obligational authority. This financial measure includes the new obligational authority enacted each year by the Congress, plus the obligation authority granted in earlier years which is not required for the original purpose. The program concept, introduced into defense planning in 1961, reflects the grouping of all forces according to major military mission regardless of military service.

The table on the following page shows, on a selected basis, the force structure to be supported.

SUMMARY OF THE DEPARTMENT OF DEFENSE BUDGET PROGRAM

[Fiscal years. In billions]

Major military programs	Total obligational authority		
	1966 actual	1967 estimate	1968 estimate
Strategic forces	$6.8	$7.1	$8.1
General purpose forces	29.5	34.3	34.4
Specialized activities	4.7	4.9	5.3
Airlift and sealift forces	1.7	1.5	1.6
National Guard and reserve forces	2.3	2.6	2.8
Research and development	5.3	5.4	5.8
Logistics	5.3	6.3	6.0
Personnel support	7.2	8.2	8.9
Administration	2.6	3.0	3.1
Subtotal	65.4	73.3	76.0
Adjustment for retired pay accrual	−.1	−.3	−.2
Total obligational authority	65.3	73.1	75.8
Of which:			
New obligational authority	63.9	72.0	74.7
Prior year funds	1.4	1.1	1.1

Strategic forces.—The first purpose of our strategic forces is to deter military aggression against this Nation and its allies. Our forces meet this objective by being able to withstand a surprise attack and still inflict unacceptable damage on any aggressor or combination of aggressors.

Should this deterrence fail, and an attack be launched against us, our combined strategic offensive and defensive forces have the additional function of limiting damage to ourselves and our allies by (1) striking the aggressor's remaining offensive forces, and (2) reducing the impact of the attack through warning, interception, and civil defense programs.

SUMMARY OF ACTIVE FORCES

Description	Actual, June 30, 1966	Estimated	
		June 30, 1967	June 30, 1968
Military personnel (in thousands):			
Army	1,199	1,454	1,520
Navy	745	753	762
Marine Corps	262	281	295
Air Force	886	899	887
Total, Department of Defense	3,092	3,387	3,464
Selected military forces:			
Strategic forces:			
Intercontinental ballistic missiles (squadrons):			
Minuteman	17	20	20
Titan	6	6	6
Polaris submarines/missiles (in commission)	37/592	41/656	41/656
Strategic bombers (wings):			
B-52	13	12	11
B-58	2	2	2
Manned fighter interceptor squadrons	33	30	26
Interceptor missile squadrons (Bomarc)	6	6	6
Army air defense missile battalions	18	18	18
General purpose forces:			
Army divisions	17	17	17
Army maneuver battalions	191	198	198
Army aviation units	160	193	218
Army special forces groups	7	7	7
Warships (in commission):			
Attack carriers	15	15	15
Antisubmarine warfare (ASW) carriers	8	8	8
Nuclear attack submarines	22	32	44
Other	328	323	303
Amphibious assault ships (in commission)	159	157	158
Carrier air groups (attack and ASW)	27	27	27
Marine Corps divisions/aircraft wings	4/3	4/3	4/3
Air Force tactical forces squadrons	130	136	135
Airlift and sealift forces:			
Airlift aircraft (squadrons):			
C-130 through C-141	42	44	45
C-124	16	12	8
Troopships, cargo ships, and tankers	121	124	124
Addenda:			
Active aircraft inventory (all programs):			
Army	8,098	9,528	11,578
Navy	8,260	8,552	8,878
Air Force	14,196	14,230	14,012
Helicopters included in total	(7,317)	(8,932)	(11,132)
Commissioned ships in fleet (all programs)	909	941	938

Present and planned strategic forces are clearly adequate to meet the deterrence objective. The ability of these forces to limit damage to our Nation and to our allies is also significant. Should it be required by a change in the potential threat, we are capable of adjusting our plans and forces quickly.

Our strategic offensive forces at the end of the current fiscal year will include more than 1,050 land-based and 512 submarine-deployed missiles, and 600 strategic bombers. Our defensive forces will include 30 interceptor aircraft squadrons, 6 Bomarc interceptor missile squadrons and 18 air defense missile battalions plus necessary warning and control systems.

Improvements in these forces are made on a continuing basis. In the 1967 budget, we began procuring the FB–111 strategic bomber. The 1968 budget provides for further procurement of this aircraft. The major improvements proposed in this budget include:

- Continued intensive development of Nike–X, but no action now to deploy an anti-ballistic missile (ABM) defense. Discussions will be initiated with the Soviet Union on limiting ABM deployments. If these discussions prove unsuccessful, our deployment decision will be reconsidered. To provide for actions that may be required at that time, approximately $375 million has been included for the production of Nike–X for such purposes as defense of our offensive weapon systems.
- Procurement of long leadtime items for the new Poseidon missile, which will replace the Polaris missile on most of our submarines in the future. With far better payload than the Polaris, the Poseidon is designed to increase significantly our ability to penetrate an aggressor's defenses. The conversion of Polaris submarines to carry the new Poseidon will be started this year.
- Improvement of the penetration and payload capacities of our current Minuteman missiles, and the procurement of Minuteman III missiles.
- Installation of additional command and control capability in our air-defense system to increase its power to function even when under attack.

In order to prepare for new threats which may arise in the future, we will continue a vigorous research and development program for our strategic forces including:

- More advanced strategic missiles, re-entry vehicles and penetration aids.
- Further development work on an advanced strategic bomber.
- New concepts in warning and control equipment, and continued development effort on a new interceptor aircraft.

The planned retirement of older bombers will continue in view of the growing strength of our missile force, and the introduction of the new FB–111. We will also continue to phase out older interceptor aircraft.

Total obligational authority required for these forces in 1968 is estimated at $8.1 billion, compared with $7.1 billion for 1967.

General purpose forces.—The nature of these forces is determined primarily by the non-nuclear threats which we face. Because we must be prepared to counter various types of aggression, our modern conventional forces must be diversified. They must be sufficiently strong and flexible to defend our vital interests by meeting the threat of large-scale conventional conflict, and by providing appropriate responses to more limited forms of aggression.

Total obligational authority for these forces in 1968 is estimated at $34.4 billion, about the same as in 1967.

The 1968 program will provide for the full replenishment of munitions, supplies, and materiel consumed in Southeast Asia at currently projected rates even if the conflict continues beyond the end of the fiscal year. Moreover, our readiness for other contingencies will be improved through additions to inventory and through maintenance of high production levels.

In 1968 further increases will be made in the combat capabilities of our land forces. Substantial increases will be made in Army and Marine Corps helicopter forces to improve mobility and enhance the effectiveness of assault forces. We will continue to procure large numbers of helicopters, including the Iroquois utility transport, the CH–54 heavy-lift transport, the Cobra armed helicopter, and the Pawnee observation craft. Army firepower will be enhanced significantly by the introduction of the TOW anti-tank missile, and by continued purchases of the tank-mounted Shillelagh and surface-to-surface Lance missiles.

Navy general purpose forces also will be improved further in 1968. The budget provides for construction of 27 new ships and conversion of 17 others. Funds are included for the procurement of long lead-time items for our third nuclear attack carrier. The effectiveness of our amphibious forces will be improved through the procurement of a newly-developed type of multipurpose amphibious assault ship. One such ship possesses the troop, cargo, assault boat, and helicopter base capabilities of four specialized ships.

Continued emphasis will be placed on defenses against submarine and air attack with the procurement of 3 new nuclear-powered attack submarines, 10 destroyer escorts, and 2 surface-to-air missile destroyers. Mine warfare capabilities will be increased by the new construc-

250-000 O—67——6

tion of 7 ocean minesweepers. The combat effectiveness of our present attack carriers, anti-submarine carriers, and amphibious assault forces will be increased by the construction of 3 replenishment and support ships. The 1968 program also provides for the development of a new concept for future destroyer construction. By emphasizing the use of standard and interchangeable major components, new ships can be adapted more readily to improved anti-air and anti-submarine weapon systems.

The 1968 budget will also insure that the present superiority of our tactical air forces will be maintained in the future. Additional numbers of Air Force and Navy versions of the F–4 and A–7 tactical aircraft, and of the Navy A–6 subsonic tactical bomber, will be procured to replace aircraft lost in Southeast Asia and to continue the modernization of tactical air forces. The budget also provides for additional Air Force F–111A tactical aircraft and the initial procurement of the Navy F–111B. Inventories of modern and more effective air munitions will be increased. Tactical reconnaissance forces will be improved by increased procurement of the RF–4. For the Special Air Warfare Forces an armed version of the T–37 trainer will be procured. The OV–10 will be bought for tactical air control and observation missions.

Specialized activities.—Defense programs include a number of centrally-directed activities which provide support for the combat-related programs. Examples of these specialized activities include command and communications systems, various intelligence functions, security activities for protection of defense installations and information, weather data collection, aerospace rescue and recovery, and oceanography.

Total obligational authority required for these functions in 1968 is estimated at $5.3 billion.

Airlift and sealift forces.—The effectiveness of our sealift and airlift forces has been demonstrated convincingly in Southeast Asia and the 1968 budget provides for another substantial increase in our strategic mobility. This capability, which includes the pre-positioning of heavy equipment at strategic locations, is needed to enable us to move combat-ready forces quickly to trouble spots throughout the world and sustain them in combat. It reduces the need to station forces at every potential front. In addition, rapid deployment of strong forces in the initial stages of conflict can check the momentum of an aggressor's attack and reduce the duration and destructiveness of combat. Total obligational authority for this program is estimated at $1.6 billion in 1968, slightly more than in 1967.

Additional procurement of the long-range C–5A transport aircraft will enhance further our ability to counter new threats rapidly. This aircraft should be able to do the work of four of our largest existing transport, the C–141, in deploying typical Army units.

Our sealift forces will be improved by procurement of five fast deployment logistics ships and the continued modification of Victory ships. These modified ships will serve as forward floating depots for overseas operations. The fast deployment logistics ship, which complements the C–5A, promises substantial gains in capacity, speed, and operating efficiency.

National Guard and reserve forces.—Present defense planning requires highly trained reserve units which can be mobilized and deployed quickly in an emergency. Intensive efforts are being made to improve our ability to meet this requirement:

- Paid drill training strength will be maintained at a level of 660,000 for the Army, 126,000 for the Navy, 130,000 for the Air Force, and 48,000 for the Marines.
- Selected reserve units of the Army and Air Force will be maintained at full strength, provided extensive training, and equipped for combat.
- The Air National Guard will be provided with additional F–102 interceptor aircraft released from the active forces.
- Sufficient additional equipment and material will be stocked to permit other reserve units to be brought to full strength and deployed within a reasonably short period of time.

In addition, in the current fiscal year, active duty training of Army reserve component enlistees will be accelerated to reduce the number of untrained reservists from about 133,000 at the end of fiscal year 1966 to about 13,000 at the end of fiscal year 1967.

Total obligational availability for our guard and reserve forces is estimated to be $2.8 billion in 1968.

Research and development.—Research and development efforts are reflected in two categories The cost of new systems, not yet approved for operational use, is included in this separate research and development category. Development costs of systems approved for procurement or already in operation are included in appropriate mission-oriented programs. The new Poseidon missile, for example, is part of the strategic program.

Total obligational authority in 1968 is estimated at $5.8 billion, an increase of $0.4 billion over 1967. Increases are primarily for critical strategic systems and for those weapons systems necessary for

anti-submarine warfare, tactical operations, electronic warfare, and command and control.

Although development of limited war capabilities has been underway for some years, projects related to the conflict in Southeast Asia are being given increasing emphasis. Such efforts, while often small in dollar amount, are important in results. In fiscal year 1966, about $375 million was devoted to projects potentially useful in Southeast Asia. From these efforts, our forces now have or can expect improved firepower in the form of air munitions and attack aircraft, better equipment such as night vision devices and shallow-water patrol boats, and improved protection for health and safety such as rescue helicopters, mobile hospitals, and anti-malaria drugs. The level of these efforts in 1967 and 1968 is expected to exceed the 1966 level.

The space program of the Defense Department will increase in 1968 due primarily to progress on the Manned Orbiting Laboratory (MOL). Other space programs of the Department include development of satellite communications, and improved capabilities for navigation, nuclear test detection, and early warning of missile launches.

Logistics.—This program includes the central supply and maintenance activities of each of the Services, and the Defense Supply Agency. Total obligational authority is estimated to be $6.0 billion in 1968, reflecting expanded efforts in support of operations in Southeast Asia and increased troop strengths. The total would have been larger, were it not for improvements in operations and the closing of unnecessary installations.

Personnel support.—Support for Armed Forces personnel includes training, medical care, travel and transportation for permanent change of station, family housing, payments to retired personnel, and other related items.

The estimate for 1968 reflects the greater number of men who will be on duty during that year. Pilot training is expected to increase about 30% over 1967, to provide improved rotation schedules for flying personnel. In addition, medical costs will increase with the greater number of military personnel and dependents, and because of the program enacted last year of expanded medical care for retirees and dependents of active and retired personnel.

The budget also includes funds for the construction of family housing, the maintenance of present units, and the rental of urgently-needed additional units.

Administration.—This program covers the cost of departmental headquarters, finance and accounting services, and certain adminis-

trative services and construction support activities common to the Department. It also includes claims, contingencies, and miscellaneous functions. These activities will amount to $3.1 billion in 1968. Also included in this program, but separately administered, are certain activities for the support of allies which were formerly financed under the military assistance program.

Military assistance.—In 1950, the United States embarked on a worldwide program to assist free nations whose own resources were insufficient to maintain adequate military forces to deter overt Communist aggression. Since then, the program has undergone fundamental changes in both direction and level.

The more developed free nations, particularly in Europe, now shoulder the major portion of their own defense burdens and contribute to the assistance of less-developed nations. In other areas, emphasis has shifted from providing conventional forces to counter overt aggression to establishing adequate forces for internal security. These changes have enabled us to reduce substantially the level of military assistance.

New obligational authority has declined from a peak of $5.7 billion in 1952 to $596 million recommended for 1968, while expenditures will fall from a high of $4.0 billion in 1953 to an estimated $800 million in 1968.

In fiscal year, 1966 the funding of military assistance to Vietnam was transferred from the military assistance program to the regular Defense budget. In 1968, the funding of military assistance to Laos and Thailand, the U.S. share of NATO construction projects, and certain international military headquarters, will similarly be transferred.

Atomic energy activities.—Expenditures by the Atomic Energy Commission in 1968 are estimated to be $2.3 billion, $60 million higher than in 1967. An estimated decline in expenditures for procurement of uranium concentrates and for production of special nuclear materials will be more than offset by increases in expenditures for the nuclear weapons program and for the development of nuclear power for civilian purposes.

The various activities in AEC's program and the funds devoted to them are shown in the table on the following page.

Nuclear materials.—The procurement of raw uranium concentrates will continue to decline in 1968, in accord with long-standing plans

ATOMIC ENERGY COMMISSION PROGRAM

[Fiscal years. In millions]

Program	1966 actual	1967 estimate	1968 estimate
Procurement and production of raw and special nuclear materials	$607	$541	$503
Military applications	851	851	914
Space applications	165	152	131
Central station nuclear power development	117	140	253
Other civilian applications	25	34	38
Basic research	413	452	432
Nuclear science and technology support	140	146	152
General support	116	128	122
Total program funding	2,434	2,444	2,545
Carryover funds and other adjustments	−68	−245	−52
New obligational authority	2,366	2,199	2,493

and arrangements with suppliers. Because of a reduced demand for plutonium for military purposes, one of the 10 production reactors now operating will be shut down in fiscal year 1968.

Military applications.—The military applications of atomic energy comprise primarily the weapons program and the naval reactor development program. Increased costs will be incurred in 1968 to prepare for and conduct underground nuclear tests in central Nevada and Alaska.

Central station nuclear power development.—The program to develop advanced designs of nuclear powerplants for civilian purposes will emphasize the fast breeder reactor program in 1968, a technology which promises to produce more fissionable nuclear fuel than is consumed in the process of producing power. Construction of a fast flux test facility for the fast breeder program will begin in 1968 at an estimated total cost of $87.5 million.

Basic research.—The extensive program of basic research in the physical and biomedical sciences will be marked in 1968 by initiation of definitive design of a 200 billion electron volt (Bev) circular proton accelerator. The total cost of this accelerator facility, excluding the cost of supporting equipment, is estimated at about $240 million. Operating in a manner similar to a cyclotron, the machine will accelerate protons to energy levels higher than can be achieved by any accelerator now in existence or under construction. By observing the behavior of the fragments produced by collisions between these

protons and target materials, scientists hope to gain new insights into the basic structure of matter. The facility will be located near Chicago, Illinois.

AEC will also intensify its exploration into the controlled thermonuclear fusion reaction, with the objective of ultimately developing means of generating electric power from this reaction. Decisions have not yet been reached on the construction of two AEC research facilities, a medium-energy high intensity meson facility and a facility for investigating controlled thermonuclear reaction. The overall budget totals provide for the possibility of affirmative decisions on these items.

Defense-related activities.—The combined expenditures of the various defense-related functions of agencies other than the Department of Defense and the Atomic Energy Commission are estimated to increase by $55 million in 1968.

INTERNATIONAL AFFAIRS AND FINANCE

United States leadership in the world community requires that our international policies and programs be responsive to political and economic change. In a world of awesome military power, made ever smaller by advances in transportation and communication, our efforts to promote world peace and prosperity are essential to the security and welfare of America.

Economic and social progress in the less-developed areas of the world is a major goal of our foreign policy. However, our economic aid can provide only a small part of the development resources required for this enormous task. The major effort must come from the countries themselves and our aid must increasingly support and be conditioned on these self-help efforts. To this end, new foreign assistance legislation will be proposed which will tie our aid more closely to the adoption of effective self-help measures by the recipient nations, particularly in the key sectors of agriculture, health, and education.

At the same time, we will encourage increased contributions by other nations and agencies to the development effort, and will seek to integrate our aid programs more closely with theirs. In 1968, about 90% of our development lending (including Alliance for Progress loans) will be coordinated with the efforts of the other developed nations through consortia and other such multilateral arrangements.

With the elimination of the large U.S. food surpluses, the Food for Freedom program will aim at greatly increasing food production in the developing nations and more effectively utilizing our agricultural resources in the global War on Hunger.

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Conduct of foreign affairs:				
Department of State	$301	$320	$332	$333
U.S. Arms Control and Disarmament Agency	9	9	9	10
Tariff Commission	3	4	4	4
Foreign Claims Settlement Commission	2	2	1	1
Economic and financial programs:				
Agency for International Development:				
Development loans	677	710	695	774
Technical cooperation	224	196	212	243
Alliance for Progress	459	593	588	543
Supporting assistance	500	604	680	720
Contingencies and other	280	313	255	251
Subtotal, Agency for International Development	2,141	2,415	2,430	2,530
Subtotal, Agency for International Development, excluding special Vietnam	(1,859)	(1,882)	(1,884)	(1,980)
International financial institutions	----------	−336	212	104
Peace Corps	94	100	112	124
Export-Import Bank	−385	128	−365	----------
Other	14	15	15	13
Food for Freedom	1,784	1,710	1,799	1,772
Foreign information and exchange activities:				
United States Information Agency	167	184	192	194
Department of State	61	58	56	55
Subtotal, administrative budget	4,191	4,608	4,797	[1] 5,142
Subtotal, administrative budget, excluding special Vietnam	(3,909)	(4,075)	(4,251)	(4,592)
Trust Funds	171	111	229	[1] 45
Intragovernmental transactions and adjustment for net cash issuances or withdrawals by international financial institutions (deduct)	−101	−545	38	
Total	4,463	5,264	4,988	
Total, excluding special Vietnam	(4,181)	(4,731)	(4,442)	

[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $5,517 million; 1967, $4,794 million.
Trust funds: 1966, $158 million; 1967, $14 million.

Total payments for international affairs and finance are expected to be $5.0 billion in 1968, $276 million less than in 1967. The estimated decrease is primarily the result of higher loan repayments and

sales of certificates of participation in loans of the Export-Import Bank.

Agency for International Development.—The budget provides for only the highest priority objectives and reflects a continuing effort to increase the effectiveness and efficiency of our assistance programs. In the year ahead, these programs will require greater assurance and evidence from the developing nations that they are taking the difficult steps necessary to stimulate and sustain economic growth and social progress. This emphasis will further strengthen the substantial efforts which are being made by many countries themselves to remove traditional and deeply entrenched barriers to development.

Total expenditures of the Agency for International Development are estimated at $2.4 billion in 1968, about the same as in 1967.

The AID budget program is summarized in the table below in terms of total obligational authority. This includes primarily new obligational authority granted each year by the Congress, plus the obligational authority granted in earlier years which is not required to complete prior year programs.

The regional amounts shown summarize mainly the individual country programs which are the basic AID programing units. The AID program level for 1968 is estimated at $2.7 billion, the same as the effective program level for 1967, which is $2.4 billion plus $320 million of 1966 funds available for 1967 programs because aid to India and Pakistan was suspended during the Kashmir crisis.

SUMMARY OF THE AID BUDGET PROGRAM

[Fiscal years. In millions]

Major assistance programs	Total obligational authority		
	1966 actual	1967 estimate	1968 estimate
Far East (excluding Vietnam)	$264	$266	$262
Vietnam	591	525	550
Near East and South Asia	[1] 664	[1] 516	758
Africa	176	199	195
Alliance for Progress (Latin America)	693	609	624
Contribution to international organizations	138	148	141
Contingency fund (unallocated)			60
General support	140	140	157
Total obligational authority	2,666	2,403	2,747
Of which:			
New obligational authority	2,463	2,143	2,530
Prior year and other funds	203	259	217

[1] $320 million of funds shown in the 1966 program were available to support 1967 programs in India and Pakistan because aid to those countries was suspended during the Kashmir crisis.

Continued attention will be given to minimizing the effect of assistance programs on the U.S. balance of payments. More than 85% of AID expenditures in 1968 will be for purchases of U.S. goods and services, compared with 42% in 1960. Moreover, the foreign aid program promotes the long-term growth of U.S. exports by stimulating new trade patterns and opportunities.

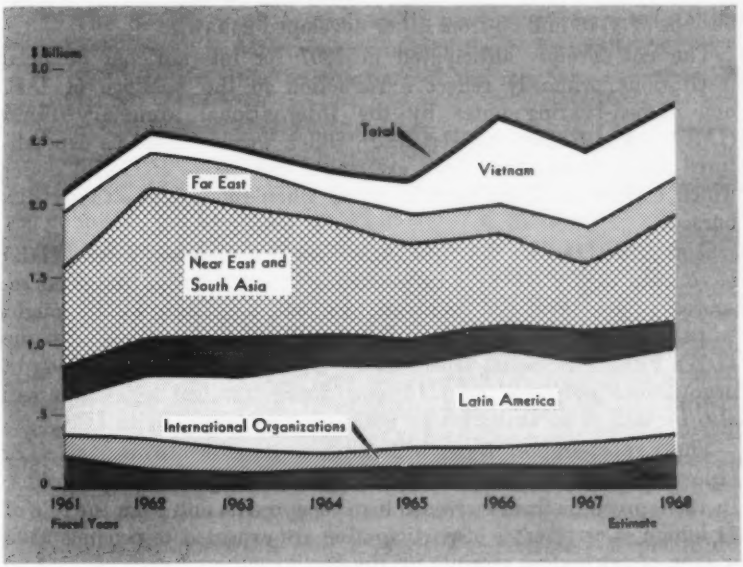
Far East (excluding Vietnam).—AID provides loan and grant assistance to six countries in the Far East to help them mobilize resources for economic and social development and to preserve political stability, often in a hostile environment. Over 40% of the $262 million total obligational authority estimated for this region in 1968 is for supporting assistance which helps to maintain security and stability in these countries but also contributes directly to growth and development.

Vietnam.—Total obligational authority estimated for Vietnam in 1968 is $550 million, $25 million above 1967. Two important objectives of our economic assistance programs in South Vietnam are to assist the government of that country to combat inflation and improve economic and social conditions in the countryside. The 1968 program focuses on projects to help the people of South Vietnam to build in safety their farms, schools, hospitals, water systems, and other institutions and resources. Continued improvement of the economic situation in 1968 is expected to permit increased emphasis on building the foundations for long-range development.

Near East and South Asia.—The United States will provide development assistance to 10 nations in this region in 1968, mostly in the form of long-term development loans, repayable in dollars. Despite the apparent increase from 1967 to 1968, the effective program level will decrease slightly between the two years because of the India-Pakistan financing adjustment described above. Over 90% of the $758 million total obligational authority estimated for 1968 will be concentrated in the three most populous nations—India, Pakistan, and Turkey. American assistance programs in these countries are directly integrated into overall plans involving the World Bank, the International Development Association, the International Monetary Fund, United Nations agencies, and other donor countries. Programs to increase agricultural production will be expanded.

Africa.—In 1968, greater effectiveness will be achieved in U.S. assistance to Africa through increasing multilateral coordination and emphasis on regional programs. Total obligational authority

Agency for International Development—Program Trends



in 1968 is estimated at $195 million, about the same as in 1967. In 1968, most of our assistance will be concentrated in regional projects and countries which now have the best prospects for economic development.

Alliance for Progress.—This program is a cooperative, long-term effort among the nations of the Americas to promote economic and social reform and development. U.S. participation consists largely of development loans and technical assistance, which supplement the self-help efforts of the recipients. Total obligational authority for the Alliance for Progress in 1968 is estimated at $624 million, an increase of $15 million above 1967. Increased emphasis will be given to programs in the agriculture and education sectors. Further measures will be considered in light of the review of Alliance policies and programs scheduled to be undertaken by the American Presidents at a summit meeting in the near future.

Other economic and financial programs.—The 1968 budget provides for the payment of $104 million as the final installment of the 3-year, $312 million increase authorized in 1964 in the U.S. subscrip-

tion to the International Development Association (IDA), an affiliate of the World Bank. This contribution will be matched by contributions of $146 million from other developed countries.

The net receipts anticipated in 1967 for international financial institutions primarily reflect a reduction in the holdings of U.S. non-interest-bearing notes by the International Monetary Fund (IMF). These maturing securities, which were counted as expenditures when issued, have been exchanged for letters of credit, under which expenditures are only recorded when funds are actually disbursed.

Both the IDA and the Inter-American Development Bank (IDB) have been highly effective in providing greatly needed financial resources to less-developed countries. In 1968, legislation will be sought to permit us to join other members in a further contribution to the IDB's Fund for Special Operations. Upon successful completion of negotiations between the IDA and donor nations, legislation will also be sought to authorize an additional contribution to IDA.

The Export-Import Bank will continue its efforts to expand U.S. exports through its direct loan and insurance and guarantee programs. In 1968, proceeds from increased loan repayments and from the sale of $1 billion of certificates of participation are expected to produce $365 million of net budget receipts for the Bank compared with net budget expenditures of $128 million in 1967. Legislation will be proposed to extend the life of the Bank and to increase the statutory limitations on lending authority and outstanding guarantees and insurance.

The Peace Corps will continue to grow as our schools and colleges graduate more young people willing to serve overseas. Peace Corps volunteers are expected to be active in 60 countries in 1968. By August 1968 there will be 19,240 volunteers in training and service, nearly double the number in 1964. Equally important, Peace Corps programs will place greater emphasis on the critical areas of agriculture and community development.

In 1968 the Peace Corps program will:

- Assist over 400,000 farmers to enlarge food supplies;
- Teach over 700,000 school children and help train 55,000 teachers;
- Provide health services to more than 200,000 persons;
- Assist more than 75,000 persons by helping to establish credit unions, co-ops, small business counseling services, and savings and loan associations.

Food for Freedom.—The 1966 amendments to the Agricultural Trade Development and Assistance Act of 1954 (often referred to as Public Law 480) provide for several major new directions in the programs providing food assistance abroad.

These new provisions are incorporated in the proposed 1968 Food for Freedom program included in this budget:

(1) The Secretary of Agriculture is no longer restricted to the "surplus" concept in determining commodities to be available.

(2) Self-help activities on the part of the recipient countries are emphasized.

(3) Sales agreements will increasingly stress payment in dollars or local currency convertible to dollars.

(4) Food aid and economic assistance to agriculture in the developing countries will be closely linked in the War on Hunger.

Although joint efforts to increase food production in the developing countries will be greatly stepped up by 1968, these measures cannot be expected to offset in the short run increased demand resulting from population and income growth. Accordingly, increased shipments of U.S. agricultural commodities will help fill the gap. Expenditures will rise by an estimated $89 million over 1967 to a total of $1.8 billion in 1968. Over two-thirds of total Food for Freedom expenditures will be for sales for foreign currencies or for dollar credit; the remainder will be for an expanded donation program partly through private voluntary agencies.

Foreign information and exchange activities.—Expenditures in fiscal year 1968 for the educational and cultural exchange activities of the Department of State are estimated at $56 million. A new program, being tried on a pilot basis, will enable about 100 volunteers from overseas to participate in community and educational development projects in the United States.

United States Information Agency activities will increase in Southeast Asia and Latin America, partly through reallocation of resources. New obligational authority is included to operate a new radio facility for Southeast Asia and to complete the construction of a large new transmitting facility in Greece.

SPACE RESEARCH AND TECHNOLOGY

The primary objectives of the National Aeronautics and Space Administration programs are to extend our ability to operate in space and to use that capability for the benefit of mankind. The achievement of the manned lunar landing by 1970 will demonstrate clearly our position as a leading space-faring nation. This budget marks the beginning of a new manned space flight program which will extend our space capabilities even beyond the manned lunar landing. It is aimed at exploring the moon and at using manned space vehicles to conduct a variety of scientific and engineering experiments in space.

New obligational authority of $5,050 million is recommended for fiscal year 1968, an increase of $82 million over 1967. This amount

will be supplemented by a carryover of $60 million in funds appropriated for 1967, thus providing a total of $5,110 million available for 1968. Expenditures in 1968 are estimated at $5.3 billion, a decrease of about $300 million from 1967, because the major systems required for the manned lunar landing are progressing beyond the most costly phase of the development cycle.

SPACE RESEARCH AND TECHNOLOGY

[Fiscal years. In millions]

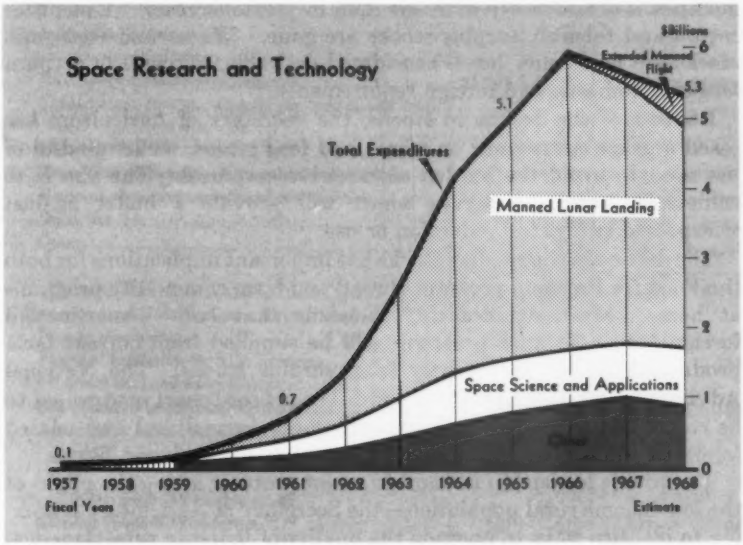
Program	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Manned space flight:				
Manned lunar landing	$4,196	$3,750	$3,200	$2,917
Extended manned flight	14	75	375	459
Space science and applications	778	770	740	764
Space technology	435	450	440	424
Aircraft technology	75	95	110	120
Supporting activities	435	460	435	367
Subtotal, administrative budget	5,933	5,600	5,300	[1] 5,050
Trust Funds	1	*	2	[1] 2
Total	5,933	5,600	5,302	

*Less than one-half million dollars.
[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $5,175 million; 1967, $4,968 million.
Trust funds: 1966, $21 thousand; 1967, $1 million.

Manned space flight.—In preparation for the manned lunar landing, earth orbital flight tests of the manned Apollo spacecraft using the Uprated Saturn I launch vehicle will begin during fiscal year 1967. First flight tests of the large Saturn V launch vehicle will occur near the end of fiscal year 1967. The first manned flights on the Saturn V are planned before the end of fiscal year 1968. Funds provided for manned space flight activities in 1968 are adequate to meet the scheduled milestones unless unanticipated setbacks occur.

In fiscal year 1968, a new manned space program will be started to further advance man's ability to operate in space and to conduct scientific experiments. Launch vehicles and spacecraft developed for the manned lunar landing mission will be used with specially designed experiments in the early portion of this program. In later flights, improved spacecraft systems will be used. Manned flights

in earth orbit of up to 1 year's duration are planned, using a multiple rendezvous technique and re-using empty rocket tanks and other systems left in orbit. Manned exploration missions of up to 14 days on the surface of the moon are planned to follow the initial manned landings. Because of the long lead-times inherent in space activities, this program must be initiated now to maintain continuity in our manned space flight program after the manned lunar landing.



Space science and applications.—In further preparation for the first manned lunar landing, unmanned exploration of the moon will continue in fiscal year 1968. A total of seven Surveyor and five Orbiter spacecraft will be used in this activity. The development of the Voyager system for unmanned exploration of the near planets, Mars and Venus, will require a total of $72 million of new obligational authority in 1968, an increase of $61 million over 1967. New obligational authority of $10 million is requested for 1968 to initiate development of Mariner spacecraft to take direct measurements of the atmosphere of Mars in 1971, 2 years before the first Voyager mission. Exploration by unmanned spacecraft in earth orbit will be continued in 1968. Improvements in space communications and weather prediction technology will also be pursued, using Applications Technology Satellites and Nimbus weather observatories.

AGRICULTURE AND AGRICULTURAL RESOURCES

Payments to the public for agriculture and agricultural resources are estimated at $4.1 billion in 1968, $27 million less than in 1967. A large part of these outlays will be for supporting farm income through annual commodity programs which benefit the Nation's commercial farmers.

Today, the situation with respect to stocks of agricultural commodities is considerably different than in previous years. Except for cotton and tobacco, surplus stocks are gone. Wheat and feed-grain stocks are now below levels considered desirable, taking into account long-run domestic and foreign requirements.

Because of the decline in stocks, the Secretary of Agriculture has eased acreage restrictions on wheat and feed grains, while mindful of the need to avoid the burden of excessive surpluses. The aim is to achieve a level of reserves which will provide a buffer against unexpected swings in production or use.

The decline in commodity stocks has important implications for both the Food for Freedom program abroad and farm commodity programs at home. Most significantly, it means that both domestic and foreign food assistance programs will be supplied from current farm production rather than partly from surplus stocks. The National Advisory Commission on Food and Fiber, whose report is expected to be completed by mid-1967, is examining our agricultural and related foreign trade policies in the light of changing economic conditions.

To provide leadership in another major problem area—the plight of the low-income rural population—the Secretary of Agriculture is seeking to identify ways to upgrade the quality of living in rural America. Nearly half of the Nation's poor are in rural areas. The Department will help coordinate existing programs of the various Federal departments and agencies and promote cooperation in achieving consistent policies and practices to improve conditions in rural communities. A comprehensive study and appraisal is currently underway to help in formulating additional approaches to deal with the problems facing the rural poor.

Farm income stabilization.—Expenditures for price support and related programs of the Commodity Credit Corporation in 1968 will remain at about the 1967 level. However, within the total for these programs sizable increases and decreases are expected. A substantial increase is estimated to result from a decline in commodity sales. This increase will be largely offset by (1) reduced payments to farmers

AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Farm income stabilization:				
Price support and related programs	$1,345	$1,725	$1,750	$1,400
Conservation reserve, cropland conversion, and cropland adjustment programs	159	207	220	215
National Wool Act	38	40	45	40
Transfer of commodities to supplemental stockpile	26	33	27	24
Removal of surplus agricultural commodities	118	146	175	202
Sugar Act	88	88	90	86
Other	152	129	160	164
Subtotal, farm income stabilization	1,925	2,368	2,467	2,131
Financing rural electrification and rural telephones:				
Present programs	373	452	520	447
Proposed legislation for REA financing		−194	−201	−399
Agricultural land and water resources:				
Soil Conservation Service—conservation operations	109	112	114	114
Agricultural conservation program payments (including CCC loans)	208	228	226	100
Other	30	39	41	30
Financing farming and rural housing:				
Farmers Home Administration	168	−523	−577	94
Farm Credit Administration	−7	−8	−7	
Research and other agricultural services:				
Present programs	503	560	603	593
Proposed legislation for inspection fees			−12	−13
Subtotal, administrative budget	3,307	3,035	3,173	[1] 3,096
Trust Funds (mainly federally sponsored farm credit institutions)	1,151	1,382	1,224	[1] 32
Intragovernmental transactions and other adjustments (deduct)	344	314	321	
Total	4,114	4,103	4,076	

[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $5,037 million; 1967, $5,086 million.
Trust funds: 1966, $30 million; 1967, $31 million.

250-000 O—67——7

for diverting farm acreage and (2) reduced expenditures for price support loans because of anticipated larger holdings of such loans by private banks.

Under the cropland adjustment program, approximately 2 million additional acres are being retired this year through long-term contracts. At least one-quarter of this retired land is being developed for a variety of recreational uses. By providing a source of income, the program permits some farm operators with inadequate resources to shift to new occupations.

Financing rural electrification and rural telephones.—Expenditures of the Rural Electrification Administration are estimated to rise by $68 million between 1967 and 1968, in response to the growing demand for electric power and improved telephone service in rural areas. Legislation is being proposed which would establish revolving funds and authorize the creation of two cooperative banks to help finance REA electric and telephone loan programs. Under the legislative proposal, estimated collections of $194 million in 1967 and $201 million in 1968 will be available to help finance new loans. Early enactment of this legislative proposal would represent a major step toward meeting the growing capital needs of REA borrowers, while minimizing the budgetary impact of the programs.

Agricultural land and water resources.—Expenditures of $114 million in 1968 for conservation operations will provide additional technical assistance to farmers applying conservation practices, and will permit accelerated completion and publication of soil surveys in critical areas. Increased expenditures for resource conservation and development areas will permit assistance for planning 15 new pilot projects, with work to start on 8 of these projects in fiscal year 1968. In addition, work will continue on the 26 previously authorized projects. This program is designed to help local communities plan and implement projects which promote economic growth through the orderly improvement, conservation, and utilization of natural resources.

Expenditures of $226 million in 1968 for the agricultural conservation program stem from the authorization enacted by Congress for the 1967 program year. For the 1968 program year, new obligational authority of $100 million is recommended. This amount will permit cost-sharing with farmers on a substantial number of needed conservation practices they would otherwise not adopt. Expenditures are estimated at $17 million in 1968 for the Great Plains conservation program which promotes conservation practices through long-term cost-sharing contracts.

Financing farming and rural housing.—The Farmers Home Administration provides financial assistance for housing construction and for meeting the special credit needs associated with farming and rural community development. Increasing emphasis is being placed on improving and developing community services. Grants and loans are made for planning and constructing waste disposal facilities as well as for water purification and distribution facilities.

In 1968, the Farmers Home Administration will insure or make an estimated $1.5 billion in loans, an increase of $203 million over 1967. Repayments together with participation sales of $600 million in 1967 and $800 million in 1968 will substantially exceed expenditures.

The following table shows the direct and insured loan program levels classified according to two major program categories—aiding people and aiding communities. Almost half of the loans are aimed at the improvement of farm income. But the largest increases in loan commitments in 1968 will be $100 million for improvement of housing for farm and nonfarm borrowers with low to moderate incomes and $44 million for soil, water, and sewer loans.

FARMERS HOME ADMINISTRATION

Direct and Insured Loan Commitments [1]

[Fiscal years. In millions]

Program elements	1966 actual	1967 estimate	1968 estimate
Aiding people:			
Improvement of income:			
Farm ownership loans	$233	$205	$205
Farm operating loans	275	275	300
Emergency loans	100	64	64
Soil and water loans	24	33	27
Improvement of housing:			
Farm labor housing loans	3	10	15
Loans to individuals with above moderate income	42	26	51
Loans to individuals with low to moderate income	201	304	404
Loans for the elderly	15	5	5
Rental housing loans	4	20	30
Aiding communities:			
Utilities and public facilities: Soil, water, and sewer loans [2]	128	309	353
General support: Rural renewal loans	1	1	2
Total loan commitments	1,027	1,252	1,455
Direct	(476)	(452)	(490)
Insured	(550)	(800)	(965)

[1] Represent obligations of direct loans and approvals of insured loans.
[2] Includes recreation facilities.

Research and other agricultural services.—Expenditures for research and other agricultural services are estimated to increase by $31 million between 1967 and 1968. Greater emphasis will be given to research that enhances consumer health and nutrition, improves community services and environment, and raises the level of living of rural people. The Extension Service will expand services to low-income families and disadvantaged urban and rural youth and will provide additional multi-county agents to accelerate economic growth and adjustment in rural areas. Legislation will be recommended to strengthen the Federal meat inspection service and to assist States to improve their meat inspection programs. In addition, legislation will be proposed to finance the cost of certain inspection and grading activities of the Department of Agriculture through user charges.

NATURAL RESOURCES

The needs of a growing population and an expanding economy demand careful development and prudent use of our natural resources. The budget recommendations for 1968 are aimed at meeting these demands. They provide for selected increases in those programs most important for preserving our natural heritage and promoting the Nation's economic growth. Payments to the public for the conservation and development of natural resources are estimated at $3.5 billion in fiscal year 1968, an increase of $288 million over 1967.

Land and water resources.—About two-thirds of the estimated outlays for natural resources in 1968 will be for land and water resources programs. Most of these expenditures will be for continuing construction of water resource projects started in previous years and for operating and maintaining completed projects. Many of these projects are multiple-purpose projects, providing electric power, water supply, water quality, fish and wildlife, and recreation benefits as well as serving flood control, navigation, or irrigation purposes.

Because water problems are becoming increasingly critical in various parts of the country, legislation is proposed to establish a National Water Commission. The Commission, working closely with the Water Resources Council, will assess the problems and outline actions to achieve the most efficient use of our water resources.

Water and related power developments.—The budget provides for continued investment in the development of the Nation's water and power resources. In order to provide for future needs, new water resources projects are to be started in 1968 and advance planning is to begin for projects to be started in later years. However, in an effort to help prevent inflationary pressures in the economy, ongoing Federal con-

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Land and water resources:				
Corps of Engineers	$1,250	$1,260	$1,330	$1,289
Department of the Interior:				
Bureau of Reclamation	367	327	320	316
Power marketing agencies:				
Present programs	79	128	137	151
Proposed legislation for revolving funds	-------	−74	−78	−53
Federal Water Pollution Control Administration	117	126	229	306
Office of Saline Water:				
Present programs	13	15	24	23
Proposed legislation for desalting plant	-------	-------	4	8
Office of Water Resources Research	6	7	11	13
Bureau of Indian Affairs:				
Present programs	122	111	120	118
Proposed program improvements	-------	-------	15	30
Bureau of Land Management and other	77	84	73	76
Tennessee Valley Authority	54	78	111	62
Soil Conservation Service—watershed projects	102	102	104	102
International Boundary and Water Commission	33	36	23	18
Federal Power Commission and other	14	17	20	19
Subtotal, land and water resources	2,235	2,218	2,443	2,479
Forest resources:				
Forest Service	386	442	424	487
Bureau of Land Management	20	21	24	25
Recreational resources:				
Bureau of Outdoor Recreation	17	62	106	146
National Park Service and other	135	137	140	134
Fish and wildlife resources	130	134	139	143
Mineral resources:				
Bureau of Land Management	47	48	49	49
Bureau of Mines and other	61	67	90	74
General resource surveys and administration	89	97	103	106
Subtotal, administrative budget	3,120	3,226	3,518	[1] 3,645
Trust Funds (mainly Indian tribal funds)	145	145	148	[1] 188
Intragovernmental transactions and other adjustments (deduct)	36	120	128	
Total	3,229	3,250	3,538	

[1] Compares with new obligational authority for 1966 and 1967 as follows:
Administrative budget funds: 1966, $3,356 million; 1967, $4,526 million.
Trust funds: 1966, $146 million; 1967, $176 million.

struction projects have been slowed down in the current fiscal year. A small number of new starts is being recommended for 1968.

The budget for 1968 includes $7 million in new obligational authority for the Corps of Engineers to start construction of nine water resources projects costing an estimated $150 million in total. Advance planning will be started on 24 projects. In addition, $3 million is included to begin land acquisition for the Tocks Island Dam and Reservoir project in New Jersey, Pennsylvania, and New York. The budget also provides for programs which improve our basic knowledge about flood hazards and enhance the effectiveness of our flood control efforts.

New obligational authority of $8 million is included for the Bureau of Reclamation to start two projects and to provide loans to finance two new small reclamation projects. Studies and investigations by the Bureau will include special emphasis on weather modification research. A thorough review is being made of alternative solutions to the water problems faced by the States in the Colorado River Basin. When this review is completed, recommendations will be made to the Congress.

Legislation previously proposed will again be recommended to allow the Bonneville, Southeastern, and Southwestern Power Administrations to use revenues from the sale of power to finance capital outlays and operating costs. Enactment of this legislation would place these power marketing agencies on a basis consistent with other business enterprise activities of the Federal Government while retaining continued control through the appropriation process. Revenues from the sale of such power are currently deposited in miscellaneous receipts of the Treasury.

The Tennessee Valley Authority's activities in 1968 are estimated to result in net expenditures of $111 million. Upon approval of a license by the Atomic Energy Commission, the TVA will carry forward construction of the Brown's Ferry Nuclear Plant, estimated to cost $247 million. Commercial operation of the first unit of the plant is scheduled for October 1970. During 1968, TVA will work with organized groups in 16 tributary watershed areas, many in the Appalachian portion of the Valley, to help in the development of an improved industrial and agricultural economy.

Water quality and research.—The Federal Water Pollution Control Administration was transferred from the Department of Health, Education, and Welfare to the Department of the Interior in May 1966. Within Interior, the water pollution control programs are being reoriented toward attacking the problems of pollution in entire river basins. During fiscal year 1968, much of the agency's effort will be devoted to reviewing and approving standards developed by

the States under the Water Quality Act of 1965. The budget includes grants of $203 million in 1968 to assist municipalities in construction of waste treatment plants. Additional funds are recommended for research and demonstration activities authorized by the Clean Water Restoration Act of 1966.

Legislation will be proposed to permit the Department of the Interior to participate with the Atomic Energy Commission and the Metropolitan Water District of Southern California in the construction of a large prototype desalting plant.

Public domain and Indian lands.—The Bureau of Land Management manages 457 million acres of public domain land containing valuable mineral, forest, range, watershed, recreation, and fish and wildlife resources. In 1968, the Bureau expects to spend $70 million on the development and use of the resources of these lands. Total receipts from the management of all public lands are estimated to be $626 million in 1968, including $430 million from mineral leases (primarily oil and gas) on the Outer Continental Shelf, which the Department of the Interior also administers.

Programs to aid American Indians in 1968 will provide for improved schools, irrigation facilities and roads on Indian reservations, and for expansion of industrial activities and housing facilities. New obligational authority of $118 million is recommended for 1968, including $31 million for construction of 15 new schools for Indian children. An additional $30 million is proposed to further improve programs for the Indians.

Forest resources.—National forest lands will provide outdoor recreational activities for an estimated 199 million visitors in 1968. In addition, the Forest Service expects to harvest 12.7 billion board feet of timber in that year, about one-fourth of the timber consumed by American industry.

To improve the efficient management of the Nation's timber resources, the Forest Service has recently completed a special analysis which provides useful information for helping to decide which timber investments would be most economical and beneficial. This analysis has calculated possible rates of return from Federal investments in reforestation and timber stand improvement on national forest lands. These calculations show that if Forest Service expenditures for this program are maintained at the 1968 budget level of $18 million for the next 13 years, and are allocated to the highest return opportunities, such investments on 4.5 million acres could yield an estimated annual rate of return of at least 6%. The table below summarizes the results of that study. Similar analyses for alternative programs will provide a basis for comparing expenditures for reforestation and

timber stand improvement with other Federal programs which enhance timber supply.

NATIONAL FOREST REFORESTATION AND TIMBER STAND IMPROVEMENT

Average annual rate of return on investment (percent)	Acres requiring investment (thousands)	Investment cost (millions)
10 or more	132	$6
6–10	4,423	217
5–6	1,555	90
4–5	2,585	148
Less than 4	4,915	209
Total	13,610	670

Recreational resources.—In fiscal year 1968, the Bureau of Outdoor Recreation expects to complete the first Nationwide Outdoor Recreation Plan, which will provide a general guide for all outdoor recreational programs in the country.

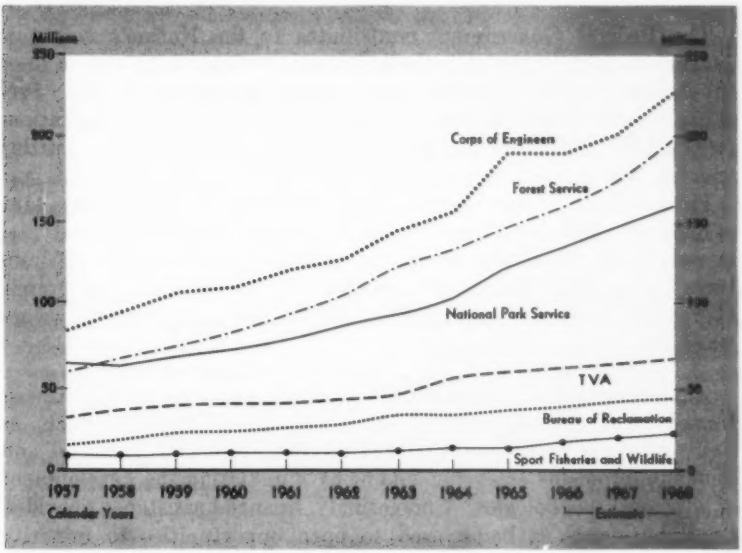
Receipts of $110 million are estimated to become available to the Land and Water Conservation Fund in fiscal year 1968, and an advance appropriation of $32 million is recommended to augment the Fund. Together, these funds will enable Federal agencies and States to expand their recreation programs to provide additional outdoor recreation opportunities. Grants of $65 million will be made from the Fund to the States for this purpose and $74 million will be available for acquisition of recreation lands by the National Park Service, Forest Service, and the Bureau of Sport Fisheries and Wildlife.

Because of rising land prices, the budget proposes that all of the $32 million advance appropriation to the Land and Water Conservation Fund be used by Federal agencies to accelerate land acquisition.

The 89th Congress enacted legislation to authorize a number of national seashores and other recreation areas. Additional areas are needed, however, in order to meet the growing recreational requirements of our people. Proposals are under study and recommendations will be made at a later date for the development of the North Cascades area in the State of Washington. Proposals are also under study to make the Potomac Valley a model of scenic and recreation values for the Nation.

There is also an urgent need to identify and preserve free-flowing stretches of our great scenic rivers—before economic growth and industrial development mar their natural beauty. Legislation is recommended to establish a National Scenic Rivers System, to authorize a Redwoods National Park in northern California, and to provide for a nationwide system of trails.

Visitors to Federal Recreation Areas



Fish and wildlife resources.—Expenditures for the Bureau of Sport Fisheries and Wildlife in 1968 are estimated at $90 million. The Bureau will operate 90 fish hatcheries and 312 wildlife refuges, including 6 new refuges and waterfowl production areas.

The Bureau of Commercial Fisheries will continue to assist the fishing industry through resource conservation, improved production technology, exploratory fishing, marketing assistance, and programs to modernize the American fishing fleet. A significant advance will be made toward the solution of protein-deficient diets throughout the world with the construction in 1968 of a pilot plant for manufacturing fish protein concentrate.

Mineral resources.—The Bureau of Mines will continue research to expand mineral production and utilization, with increased attention to problems of air pollution and oil shale research. A new research program directed toward major improvements in tunneling technology will be initiated. If successful, this effort will be of major benefit to mining, urban transportation, water supply, and other public services.

Congressional approval will be sought, within the authority of the Helium Act Amendments of 1960, for the Secretary of the Interior to enter into long-term contracts in 1968 for the purchase of an additional 24 billion cubic feet of helium. This unique resource would otherwise be wasted as a component of natural gas being marketed as fuel.

COMMERCE AND TRANSPORTATION

The Federal Government contributes to the Nation's economic development by investing in facilities and services which add to present economic strength and lay the foundation for future growth. Programs to assist business, improve transportation and communications services, develop depressed areas, and promote effective competition and fair business practice will be strengthened in 1968.

Payments for these programs are estimated to decline by $445 million in 1968, to a total of $6.9 billion. Proposed postal rate increases will result in a substantial reduction in net postal expenditures, more than offsetting estimated increases in other programs. More than half of total payments will be devoted to highway construction.

Advancement of business.—Federal programs for aiding business contribute to the well-being of individual citizens and consumers, as well as to the economy as a whole. New solutions to social and economic problems are being sought by stimulating the development of advanced technologies. Increasingly, financial assistance provided small businesses is being used to open opportunities to minority groups and to enlist private resources in economic development.

Economic and demographic statistics.—The Census Bureau's major new effort in 1968 will be a special sample survey of 3 million households, for which $20 million of new obligational authority is being requested. This survey will provide the current social and economic data required to pinpoint needs, and to plan Federal programs to obtain maximum impact on such problems as unemployment and poverty.

Concurrently, the Census Bureau will continue its preparation for the 1970 decennial census and will complete the data collection for its 1967 economic censuses and census of governments. Through imaginative and persistent efforts, the Census Bureau has improved its procedures and operations, resulting in significant cost reductions in taking periodic censuses.

Promotion of technology.—Increased productivity and economic growth are stimulated by the Department of Commerce through dissemination of technical information, issuance of patents, development of engineering and product standards, and conduct of special programs to encourage the use of advanced technology in selected industries. Expenditures will increase from $49 million in 1967 to $58 million in

COMMERCE AND TRANSPORTATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Advancement of business:				
Economic and demographic statistics	$26	$27	$50	$57
Promotion of technology	48	49	58	60
Physical standards	42	31	37	31
Physical environment	152	149	179	182
Small business assistance	−140	−122	49	18
Other aids to business	65	48	34	56
Area and regional development	156	207	323	426
Air transportation:				
Federal Aviation Administration	804	880	827	741
Civil Aeronautics Board—subsidies	75	66	63	60
Water transportation:				
Maritime Administration	303	280	305	363
Coast Guard	405	471	500	519
Other	*	6	2	8
Ground transportation	46	92	19	23
Postal service:				
Present programs	888	1,208	1,244	1,351
Proposed postal rate increases	----------	----------	−700	−700
Regulation of business	99	103	100	101
Subtotal, administrative budget	2,969	3,495	3,089	[1] 3,295
Trust Funds:				
Department of Transportation:				
Highway trust funds:				
Present programs	3,966	3,938	3,773	4,850
Proposed legislation	----------	----------	299	931
Other	12	14	−78	49
Federal Deposit Insurance Corporation	−227	−230	−256	----------
Subtotal, trust funds	3,751	3,722	3,738	[1] 5,829
Intragovernmental transactions and other adjustments (deduct)	−64	−139	−83	
Total	6,784	7,356	6,911	

*Less than $500 thousand.

[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $3,927 million; 1967, $4,309 million.
Trust funds: 1966, $4,107 million; 1967, $4,490 million.

1968, chiefly to extend State technical services, to strengthen the Bureau of Standards' applied technology programs, and to reduce backlogs in patent applications.

Physical environment.—The Environmental Science Services Administration was established in July 1965, to provide a single national focus for our efforts to describe, understand, and predict the state of the oceans, atmosphere, and certain physical characteristics of the earth. In 1968, particular emphasis will be given to increasing our capabilities for modifying weather patterns and to investigating the implications of this new capability. Work also will be accelerated to improve forecasts of weather and sea conditions in nearby oceanic areas and to develop the technology necessary for an efficient global weather system. Such an advanced system, when completed, should yield sufficient data to permit reliable forecasting of weather conditions for periods of up to 2 weeks.

Small business assistance.—The Small Business Administration (SBA) will emphasize aid to very small firms in 1968. Thus, the economic opportunity loan program will increase from $37 million in 1967 to $51 million in 1968, permitting aid to be extended to more than 5,200 entrepreneurs of meager resources. The agency's business lending program will be substantially enlarged through participation with private lenders and guarantees of bank loans. Private credit markets will also be tapped through the sale of about $500 million worth of participations in pools of Small Business Administration loans in both 1967 and 1968. Sales and loan repayments will largely offset the $648 million in expenditures planned for SBA programs.

Other aids to business.—Research will continue in 1968 on railroad technology and new systems for high-speed ground transportation. In 1967, demonstrations will begin to test improved rail service at speeds over 100 mph on the New Haven Railroad between Boston and New York, and on the Pennsylvania Railroad between New York and Washington. These demonstrations will gauge the market response to better service and reduced travel time in the densely-populated Northeastern area of the United States.

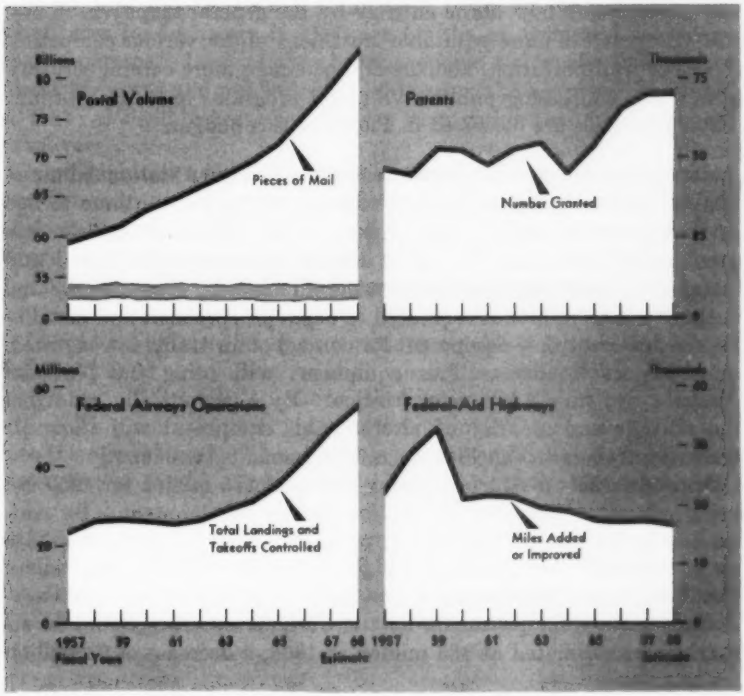
Increased efforts will be made to assist American business to sell its products in overseas markets and to encourage foreign nationals to visit our country. These efforts have the double benefit of helping American business and improving the country's balance of payments position.

In the 5-year period during which the Federal Government has been actively promoting travel to the United States, there has been an 18% average annual gain in overseas visitors. This compares with an average yearly gain of less than 10% for the preceding decade.

Success has also been achieved in the export promotion program. For example, in the past 2 years, sales at commercial exhibitions abroad have increased by over 60% and the number of agreements with overseas agents to handle American products has doubled.

Area and regional development.—Demonstrable progress is being made in the redevelopment of America's depressed areas through the stimulus of Federal, State, local, and private development programs, reinforced by the Nation's overall economic advance. Between 1962 and 1965, the number of areas in which unemployment is a severe problem has fallen from 748 areas containing 20% of the Nation's population to 555 areas containing 14%. These developments will permit the facilities and resources of the Commerce Department's program to aid depressed areas to be focused more precisely on the Nation's most seriously lagging areas. They also permit attention to be shifted from meeting immediately pressing problems to a longer-range and balanced program of regional economic development, accenting long-term growth potentials.

Commerce and Transportation—Program Trends



Expenditures for economically distressed areas and regions assisted by the Department of Commerce, will almost double in 1968 to $323 million, as certain approved projects near completion.

The 1965 Appalachian Regional Development Act authorized the Departments of Commerce, Agriculture, Interior, Health, Education, and Welfare, and the Corps of Engineers to undertake special programs for development of the Appalachian region. This year, legislation to modify and extend these programs will be required.

Transportation.—Consolidation of many related, but long-dispersed, Federal programs in the new Department of Transportation will lead to more efficient use of the taxpayer's money by (1) permitting comprehensive planning of transportation programs, and (2) making possible the identification and filling of gaps in technological and economic research. In the long run, the integration of Federal transportation activities should lead to a safer and more efficient national transportation system, with benefits to shippers, carriers, and travelers.

Recommendations for transportation user charges will help to meet rising costs of the Federal airway system and federally aided highways, and will contribute modestly toward defraying Federal inland waterway investments now borne entirely by the general taxpayer. They will also result in more equitable treatment of the various competing modes of transportation, and should encourage more careful scrutiny of new and continuing public investment programs in transportation. These proposals are discussed in Part 3 of this budget.

Air transportation.—Expenditures by the Federal Aviation Administration for the operation of the Federal airways will continue to rise as traffic control services are improved, as additional facilities are constructed and manned, and as new equipment is developed and installed to meet the needs of growing air traffic. New obligational authority of $8 million is requested to begin procurement and installation of new electronic equipment for control of air traffic in congested, multi-airport localities. This equipment will bring the National Airspace System (NAS) near fruition. By automatically reporting the altitude and identity of aircraft, this equipment will allow air traffic controllers to expedite aircraft movements significantly.

Appropriations of $71 million for 1968 and $75 million for 1969 are being requested for grants-in-aid for airport development. By continuing to give priority to airports which primarily serve interstate air commerce, these amounts will provide improvements essential to the Nation's air transportation system.

Expenditures for payments by the Civil Aeronautics Board to air carriers are estimated at $63 million in 1968, a decrease of $3 million

from 1967. This reduction results primarily from steady growth in the traffic and revenues of the local service airlines, which diminishes the need for subsidies.

Water transportation.—Expenditures by the Department of Commerce for assistance to ocean shipping will amount to $305 million in 1968, an increase of $25 million from 1967. Vessel operating subsidies will remain at about the 1967 level, as Government chartering of subsidized vessels for worldwide shipping continues. Funds will be provided for the construction of 13 new vessels as part of the continuing program for modernization of the subsidized fleet.

Vessels to be put under construction in 1967 and 1968 will have significantly increased cargo capacity and more efficient loading and unloading equipment that will partially offset higher unit costs.

Ground transportation.—Federal expenditures for highway programs are estimated in 1968 to increase by $61 million, to $4.1 billion. These expenditures are primarily grants to States from the highway trust fund. Nearly three-fourths of the total is for the 90% Federal share of the annual cost of constructing the 41,000 mile Interstate Highway System, now more than half completed. Most of the remaining expenditures for highways in 1968 are for the primary and secondary road programs. Legislation is being proposed to transfer financing of forest highways and public lands highways to the highway trust fund, so that costs will be borne by highway users rather than by the general taxpayer.

New highway safety programs authorized last year are getting underway in the States and in local communities. Initial vehicle performance standards, to be issued by the National Highway Safety Bureau on January 31, 1967, should reduce fatalities and injuries from highway accidents as new vehicles meeting these standards come into use.

Legislation is also being proposed to establish a special Beauty-Safety Trust Fund to finance the highway beautification and safety programs. Revenues to finance these programs will be provided by transferring receipts from 2 percentage points of the auto excise tax into this special fund. This accounts for a $50 million drop in highway expenditures in the administrative budget between 1967 and 1968.

Postal service.—Obligations for postal services are estimated to rise from $6.4 billion in 1967 to $6.8 billion in 1968. About 90% of the obligations incurred will be covered by receipts from operations. The following table summarizes the program of the Post Office Department:

SUMMARY OF POST OFFICE DEPARTMENT PROGRAM

[Fiscal years. In millions]

Item	1966 actual	1967 estimate	1968 estimate
Obligations by major program:			
Direct services to mailers	$360	$410	$434
Processing of mail	1,867	2,065	2,273
Delivery services	2,332	2,584	2,703
Transportation	858	942	1,005
Auxiliary services	70	73	78
Enforcing postal laws	18	20	20
Research and development	15	12	18
General postal support	219	272	273
Total obligations	5,740	6,378	6,804
Financing:			
Revenues and reimbursements:			
From current postal rates	4,793	5,151	5,453
From proposed postal rate increases			700
New obligatio nal authority	947	1,227	651
Total financing	5,740	6,378	6,804

Increases in 1968 primarily reflect greater mail volume, and substantial additional investments to improve mail service.

Mail volume has been increasing over the past two years at unprecedented rates, and is expected to continue at a high rate through 1968.

MAIL VOLUME

	1964 actual	1965 actual	1966 actual	1967 estimate	1968 estimate
Millions of pieces	69,676	71,873	75,607	79,766	83,355
Percent increase from previous year	2.7	3.2	5.2	5.5	4.5

With existing postal rates, the postal deficit, excluding public service costs, will be approximately $618 million in 1968. In addition, the Postal Service will incur additional costs from the proposed civilian pay increase (included in a separate allowance). Accordingly, legislation will be proposed to raise postal rates in order to provide more efficient and improved services, to cover the proposed pay increase and largely offset the remaining revenue deficiency.

HOUSING AND COMMUNITY DEVELOPMENT

In the course of only two generations, this Nation has been transformed from its early rural heritage into a land of cities. Our programs for housing and community development reflect this evolution, and efforts in fiscal year 1968 will be directed toward:

(1) Improving the quality of urban neighborhoods, encouraging orderly growth of metropolitan areas, and sustaining a healthy housing market and industry;

(2) Meeting the needs of low and moderate income families; and

(3) Attacking the problems of the city through testing new ideas and technology, acquiring more knowledge of housing and urban problems, and improving the ability of State and local governments to grapple with these problems.

Within the administrative budget, net expenditures for housing and community development are expected to increase by $133 million to $1.0 billion. The increase reflects higher grant disbursements for urban renewal, urban mass transportation, water and sewer projects, and the new model cities program.

However, net payments to the public for all housing and community development programs are expected to decrease from $3.9 billion in 1967 to $1.8 billion in 1968. The decrease reflects (1) a decline in net mortgage purchases of the Federal National Mortgage Association's secondary market trust fund from the unusually high levels in 1966 and 1967, and (2) the repayment by savings and loan associations of the advances made earlier by the Federal home loan banks.

Because considerable time for advance planning and construction is required, program decisions for housing and community development are made well in advance of the time of disbursement. These actions commit the Government to provide grants, loans, or loan insurance for housing or urban development projects. Therefore, commitment levels provide a better measure of current program activity than do net cash outlays, which simply represent the effect of previous decisions on the current budget. Accordingly, much of the discussion in this section is based on commitment levels.

The funds for making commitments for loans and grants are provided largely by new obligational authority, balances of prior year authority, and repayments on loans. New obligational authority is estimated to increase by $814 million to $3.0 billion in 1968, reflecting increased commitments in the model cities and public facility grant programs.

250-000 O—67——8

HOUSING AND COMMUNITY DEVELOPMENT

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Urban renewal and community facilities:				
Model Cities program		$6	$150	$412
Aids to improved land use:				
Urban renewal	$343	397	469	1,000
Open space land grants	8	28	58	
Grants for planned metropolitan development			7	30
Urban planning assistance and other	20	22	30	50
Assistance for public facilities:				
Urban mass transportation	18	55	110	125
Basic water and sewer facility grants		40	110	165
Neighborhood facility grants and other	38	−15	1	45
Research and other	18	27	46	67
Public housing programs	233	263	282	307
Aids to private housing:				
Department of Housing and Urban Development:				
Supplements to the private market:				
Rent supplement program	*	2	6	6
Federal National Mortgage Association	−354	−95	159	550
Housing for the elderly and other	49	77	*	84
Support of the private market:				
Federal Housing Administration	191	122	16	
Federal National Mortgage Association	−38	−38	−240	
Federal Savings and Loan Insurance Corporation	−255	−130	−317	
National Capital region:				
Present program	75	127	125	115
Proposed increase in Federal payments and loans			11	45
Subtotal, administrative budget	347	890	1,023	[1] 3,001
Trust Funds:				
Federal National Mortgage Association:				
Secondary market operations, net	1,478	1,434	835	214
Participation sales trust fund		−46	−89	
District of Columbia municipal government	430	561	635	623
Federal home loan banks (net), and other	1,294	1,050	−400	
Subtotal, trust funds	3,202	2,999	981	[1] 837
Intragovernmental transactions and other adjustments (deduct)	123	−29	190	
Total	3,425	3,918	1,814	

[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $1,784 million; 1967, $2,187 million.
Trust funds: 1966, $704 million; 1967, $4,567 million.

*Less than $500 thousand.

Urban renewal and community facilities.—These programs will continue to emphasize coordinated attacks on the problems plaguing urban areas. Completions or continued progress in urban renewal and facility construction projects approved in prior years will increase expenditures by $421 million to $982 million in 1968.

Model Cities program.—The problems of our congested cities involve more than simply physical rehabilitation: they range over the entire spectrum—health, sanitation, schools, recreation, housing, air and water pollution, transportation, and community services. A new concept of comprehensive community problem solving is needed to take the place of limited, piecemeal solutions. Such a concept was adopted in 1966 by the 89th Congress in the model cities program. This program authorizes new Federal aids for cities that plan concerted efforts to attack their most pressing problems.

In 1968, some 70 or more cities are expected to complete planning and to start work on solving the complex problems involving the people, housing, and community facilities in the selected areas. Supplementary grants will be made to cities to help meet part of their costs not covered by other Federal aid programs. In 1968, $400 million of these grants will be committed. Another 70 or more cities will begin planning their programs with the aid of $12 million of Federal planning grants. Total expenditures for both supplementary and planning grants are estimated at $150 million.

Aids to improved land use.—The urban renewal program provides grants and loans for the comprehensive physical restructuring of blighted urban areas. It remains the primary tool for shifting land encumbered by slums and blight to physically attractive residential and other uses. Total commitments for these urban renewal efforts will rise by an estimated $255 million, to $1.1 billion in fiscal year 1968. Included in this amount is $250 million specifically for use in model cities. The number of projects being planned or carried out will increase by 181 to 1,947 and the number completed will increase by 120 to 476. Increasing emphasis will be placed on using urban renewal in programs to provide standard housing for low-income families, and on rehabilitating rather than demolishing and rebuilding the blighted areas.

In the open space land program, grants of $90 million will be committed for about 500 projects. These projects will preserve 72,000 acres of open space land in the growing suburbs, and develop some of this land for uses that will preserve its open space nature. In addition, $25 million will be committed for creating 150 parks in developed areas of the cities. Beautification programs in 100 cities will be assisted by grant commitments totaling $10 million.

URBAN RENEWAL COMMITMENTS AND PROGRAM ACTIVITY

[Fiscal years. Dollars in millions]

Program	1966 actual	1967 estimate	1968 estimate
Redevelopment or rehabilitation projects	$708	$743	$745
Number of new projects	172	195	197
Acres of land	13,760	17,000	19,000
Special projects in model cities			$250
Code enforcement projects	$8	$35	$35
Number of new projects	12	50	50
Acres of land	4,945	20,000	20,000
Rehabilitation grants	$1	$11	$15
Number of grants	1,021	8,600	14,400
Demolition of condemned structures and other	$9	$5	$3
Number of demolition projects	20	10	5
Structures demolished	4,668	1,700	850
Urban renewal demonstrations	$1	$2	$2
Number of projects	14	15	15
Community renewal programs	$4	$5	$5
Number of cities assisted	25	25	25
Total commitments	$731	$800	$1,055
Deduct authority available from prior years	56	75	55
New obligational authority	$675	$725	$1,000
Model Cities portion			(250)

The Demonstration Cities and Metropolitan Development Act of 1966 provides a new incentive for planned metropolitan development. Supplementary grants can be made in those metropolitan areas where State and local governments are planning the development of the entire area on a coordinated basis, and are carrying out all activities affecting metropolitan development in accordance with their planning. These grants can cover an additional 20% of the cost of projects aided under 10 Federal development programs. Twenty metropolitan areas are expected to qualify for these grants in 1968 and to receive Federal supplementary grant commitments of $30 million.

In the urban planning assistance program, $50 million will be committed in 1968, providing grants to assist 835 States, metropolitan areas, and small cities in comprehensive planning for urban growth and development.

Assistance for public facilities.—Grants for specific types of public facilities are also used to encourage coordinated local development programs. Both urban mass transportation and water and sewer

grants require areawide comprehensive planning and programming. Grants for neighborhood facilities can be made only if they are necessary for local health, welfare, recreational, or similar community service programs and are consistent with comprehensive planning for the community.

Grant commitments totaling $140 million will be made in the urban mass transportation program in 1968. These commitments will assist in: (1) constructing or acquiring equipment for 30 transit systems; (2) planning 15 complex mass transit systems; (3) demonstrating new approaches to urban transportation problems; and (4) encouraging related research and managerial training activities.

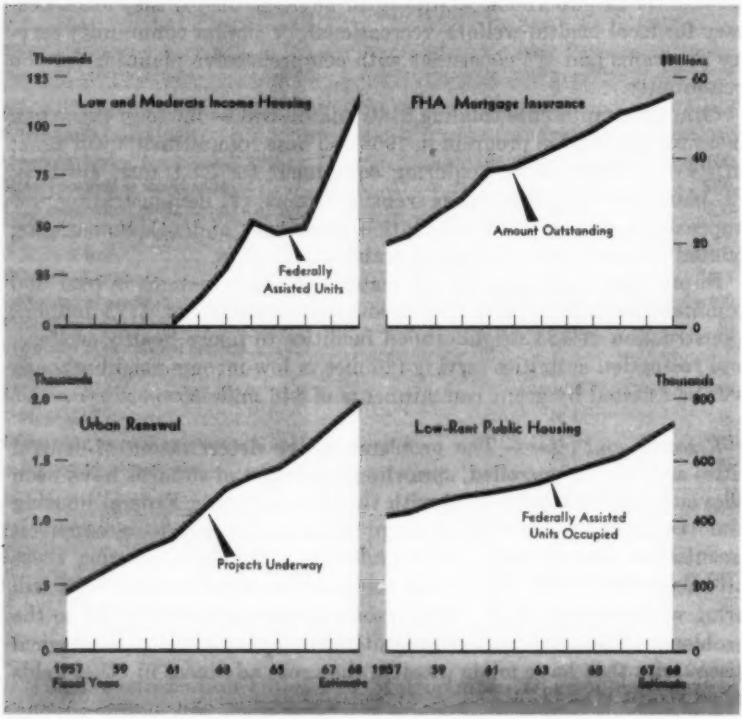
Improvement or extensions of water and sewer systems in over 300 communities will be aided by grant commitments of $175 million. Construction of 185 neighborhood facilities to house health, welfare, and recreation activities serving families in low-income neighborhoods will be assisted by grant commitments of $46 million.

Research and other.—The problems of the deterioration of central cities and the uncontrolled, sprawling expansion of suburbs have been alleviated but not yet solved with the aid of existing Federal housing and community development programs. Increased research is essential to identify and better understand the forces causing these problems, and to provide a basis for program improvements that will bring workable solutions. This research will attempt to apply to the problems of housing and community development the technological discoveries that have made possible the great advances in other fields since World War II.

Solving the individual problems of our many communities will require more trained people, dissemination of the best methods for attacking the problems, and systematic information on trends and activities within the communities and on the various aids available to help them. Two new programs of grants to States, already authorized by law, will be started in 1968. These grants will help States to provide training courses for their local public employees, and technical assistance and information services to smaller cities.

Public housing programs.—The low-rent public housing program provides apartments for low-income families whose members are elderly, dispossessed, or living in substandard housing. Federal assistance for this program takes the form primarily of annual payments to cover principal and interest on bonds issued by local housing authorities to finance the construction or acquisition and rehabilitation of housing units. Annual assistance payments are also made for units leased by local authorities.

Housing and Community Development — Program Trends



As the number of available housing units increases by 60,000 to 729,251, Federal expenditures for public housing programs in 1968 are expected to rise by $19 million, to $282 million.

Aids to private housing.—Disbursements for directly-aided private housing projects will increase in 1968. At the same time, approximately $705 million of participations in pools of loans acquired under these programs will be sold. For the program as a whole, net receipts of $376 million are estimated for 1968, $314 million more than in 1967.

Supplements to the private market.—Government grants and low interest rate loans assist low and moderate income families, unable to afford adequate housing without assistance, to live in decent private housing.

The following table shows the total number of housing units—apartments or homes—for which Federal aid is committed during the year in the various programs supplementing the private housing market:

HOUSING UNITS AIDED BY FEDERAL FINANCIAL CONTRIBUTIONS[1]

[Fiscal years]

Program	Units covered by Federal aid committed in year		
	1966 actual	1967 estimate	1968 estimate
Low rent public housing	47,244	52,000	65,000
Rent supplements	8,852	29,000	44,500
FNMA housing for low and moderate income families	33,673	40,000	40,000
Housing for the elderly or handicapped	6,945	6,900	6,900
Urban renewal rehabilitation loans	248	4,350	8,400
Total	96,962	132,250	164,800

[1] Excludes FNMA special assistance programs not involving below-market interest rates, since the private market is expected to take over these programs and the Government normally recovers the full cost of purchasing the mortgages.

The rent supplement program is the newest effort to increase the supply of housing for low-income families. For the first time, private nonprofit organizations and limited-dividend corporations can obtain Federal assistance for providing housing for these families. Under the rent supplement program, the Government agrees to pay these private housing sponsors the difference between 25% of the income of a low income family and the total rent for the apartment it occupies. As housing projects are completed and occupied, payments to these sponsors are expected to rise from $1 million in 1967 to $5 million in 1968. The Congress has authorized contracts committing the Government to make $32 million of rent supplement payments annually. This will be exhausted by the end of 1967, and authority is requested for an additional $40 million of annual rent supplement contracts in 1968.

Nonprofit and limited dividend sponsors are also encouraged to build rental housing for families with incomes above the level eligible for public housing, but below that needed to rent available standard housing. The Federal National Mortgage Association purchases mortgages with 3% interest rates on such rental housing under its special assistance program. In 1968, commitments totaling $500 million will be made for this program.

The Association also purchases mortgages with market-level interest rates on housing which is expected to be supported eventually by private financing. Such private financing may not be currently available because of either the unfamiliar type of mortgage involved or stringent money market conditions. Included in this category are cooperative housing, housing for the elderly, housing in urban renewal areas, and newly-constructed low cost housing for which financing is most difficult to obtain when mortgage money becomes scarce.

The Congress recently authorized $1 billion for this low cost housing, of which $250 million is expected to be committed for 16,000 homes in 1967. Approximately 6,300 units of housing are expected to be covered by the $77 million of commitments to purchase the other types of mortgages receiving special assistance in 1968. Net expenditures for all these special assistance programs in 1968 are expected to total $159 million, up from the net receipts of $95 million in 1967 because of increased purchases of mortgages and fewer sales of participations in loans.

Loans are made to nonprofit housing sponsors at 3% interest for housing for the elderly or handicapped whose income is below that required for standard, privately-financed housing. Total loan commitments of $85 million are proposed for 1968, the same as in 1967.

Loans with 3% interest rates are also made for the rehabilitation of housing in federally-aided urban renewal and code enforcement projects. Rehabilitation loans of $30 million are expected to be committed in 1968.

Support of private market.—Private financing of the construction and sale of housing is aided primarily by the insurance of mortgages and of accounts in savings and loan associations. Mortgage insurance by the Federal Housing Administration (FHA) encourages lenders to make loans with smaller down payments and longer terms which more people can afford. In addition, it provides a standard mortgage acceptable throughout the Nation, and thus enables areas which are short of mortgage funds to attract investors from other regions.

While the amount of private activity encouraged by these mortgage insurance programs is large, their impact on the budget is relatively small. Net budget expenditures in 1968 are expected to decrease by $106 million to $16 million, chiefly because of increased receipts from fees, premiums, and property sales. Under normal market conditions, most of the sales of homes acquired by FHA can be made with private financing. However, the recent scarcity of mortgage money has made private financing difficult. To make continued sales possible, the Federal National Mortgage Association acquires the mortgages on these homes under its management and liquidating functions. It expects to acquire $525 million of these mortgages in 1967, and $200 million in 1968. Funds for these acquisitions are generated by repayments and sales of participations in mortgages previously acquired. As a result of these acquisitions, repayments, and sales, FNMA net receipts in this activity are expected to be $240 million in 1968.

The Federal National Mortgage Association also supports the private market through its secondary market operations trust fund, buying federally-insured or guaranteed mortgages when money is scarce and selling them when mortgage money is more readily available. In 1968, $1.4 billion of mortgages are expected to be purchased, compared to the $1.8 billion expected in 1967. Receipts from repayments and sales of mortgages, and other sources, will partially offset these purchases, so that net trust fund expenditures in 1968 are estimated at $835 million, compared to $1.4 billion in 1967.

Further support of the private housing market is furnished by the Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation (FSLIC). Federal home loan banks make advances to savings and loan associations when funds are in short supply. Repayment of these advances will cause the banks to move from net payments of $1.3 billion in 1966 to net receipts of $400 million in 1968. The FSLIC insures share accounts in savings and loan associations, which invest primarily in housing mortgages. Net receipts of the Corporation are expected to increase by $187 million to $317 million in 1968. Part of the increase is due to expected increases in premium receipts as the total of insured savings rises to $114 billion.

National Capital region.—The government of the Nation's Capital is confronted with many of the social and economic problems that beset large cities throughout the country. In Washington, however, these problems are aggravated by the fact that its citizens are not permitted to elect their own local officials to develop solutions to the local problems. Accordingly, legislation will be proposed again this year to grant home rule to the 800,000 residents of the District of Columbia. Home rule will help promote progress in the District and is clearly required by our democratic traditions.

In the meantime, constructive changes can be made in the governmental machinery of the District to improve its ability to meet the needs of its citizens more effectively while preparing for the transition to home rule. Appropriate efforts will be made to strengthen the District's government. Fiscal and program needs of the city are presented in more detail in the separate District of Columbia budget.

Under legislation enacted by the last Congress, responsibility for the development of a regional rapid transit system will be shifted in 1967 to a regional authority created by interstate compact. Funds have already been authorized for the Federal contribution toward the cost of constructing this much needed system.

HEALTH, LABOR, AND WELFARE

The 1968 budget maintains the forward thrust of Federal programs designed to improve health care in the Nation; to combat poverty and assist the needy; to provide income for those retired from the labor force, for their survivors, and for the unemployed; and to improve our efforts to train workers in the skills needed in our advancing economy.

Payments to the public from administrative budget and trust funds for these programs will increase in fiscal year 1968 by $7.1 billion over 1967. Over three-fourths of this increase will be for income support, as our social security and public assistance programs are improved. Most of the remaining increase will be devoted to health and economic opportunity programs.

Health services and research.—Federal expenditures to improve the health of the American people and assist in paying for services are estimated at $8.0 billion in fiscal year 1968, $1.2 billion more than in 1967. This rise reflects the Federal Government's role in: (1) bringing quality medical care, particularly to aged and indigent persons; (2) increasing the Nation's supply of hospitals, medical schools, doctors, and other health resources; (3) supporting biomedical research and its applications; and (4) reducing or preventing health hazards in our food, drugs, air, and water.

In carrying out this role, increasing reliance is being placed on the States by the recent enactment of legislation establishing a Partnership for Health. This program will help the States develop integrated plans and programs combining services, facilities, and manpower in a concerted effort to solve high-priority health problems. In addition, it will substitute a new system of general support and project grants for a variety of grants to control specific diseases, which have in the past fragmented the local system of health services. Legislation will be proposed to strengthen this new system by increasing the authorization under which it operates.

Rising costs of medical care, scarce health manpower, and new programs of health services require an expanded and better organized effort by the Federal Government in research and studies of the organization and delivery of health care. The results should help the entire health industry deliver quality medical care more efficiently.

Payments for Medicare and medical assistance.—The social security legislation passed in 1965 created two programs of major significance: Medicare, which provides hospital and supplementary medical insurance for the aged, and Medicaid, which is designed to remove the financial barriers to quality medical care for indigent people.

HEALTH, LABOR, AND WELFARE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Health services and research:				
Payments for Medicare and medical assistance	$770	$1,988	$2,124	$2,159
Health services	359	483	471	495
Health resources	254	357	569	888
Biomedical research and research training	898	1,111	1,164	1,361
Environmental health, disease prevention, and consumer protection	230	296	274	299
Other	13	29	123	186
Proposed legislation			42	52
Labor and manpower:				
Manpower development and training	275	276	295	402
Other	225	217	231	247
Economic opportunity programs:				
Community action programs	322	650	881	1,022
Job Corps	245	315	280	295
Work and training programs	320	501	596	649
Other	130	114	103	94
Public assistance and other welfare services:				
Public assistance (excluding medical assistance):				
Present programs	2,797	2,942	2,978	3,056
Proposed legislation			58	60
Vocational rehabilitation	202	314	373	388
Military service credits	17	227	123	123
School lunch, special milk, food stamp and other	517	568	618	599
Subtotal, administrative budget	7,574	10,389	11,304	[1] 12,377
Trust Funds:				
Old-age, survivors, and disability insurance	20,706	21,926	22,891	26,707
Hospital and supplementary medical insurance	64	3,526	3,972	5,005
Civil service retirement and disability	1,686	2,045	2,116	3,058
Railroad retirement	1,246	1,366	1,410	1,590
Unemployment insurance	2,687	2,655	2,534	4,235
Other	−6	−40	−52	13
Proposed legislation:				
To improve retirement and survivors benefits			4,041	122
To broaden Medicare coverage			200	61
Subtotal, trust funds	26,384	31,477	37,111	[1] 40,790
Intragovernmental transactions and other adjustments (deduct)	−708	−2,369	−1,806	
Total	33,249	39,498	46,609	

[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $9,274 million; 1967, $11,113 million.
Trust funds: 1966, $29,358 million; 1967, $38,418 million.

Together, these programs are estimated to entail Federal expenditures of over $5 billion in 1968.

Under the Medicare insurance program total trust fund payments of $4.0 billion are estimated for medical care services for the aged. Of this amount, payments for hospital and nursing home benefits are estimated at $2.7 billion and an estimated $1.3 billion will be paid for physicians' services.

These payments will be financed by: (1) social security payroll taxes; (2) the $3.00 per month premiums paid by persons enrolled in the supplementary medical program covering doctor bills; and (3) Federal administrative budget transfers of $907 million to the Medicare trust funds specifically to cover the hospital insurance costs of the eligible aged who are not social security or railroad retirement beneficiaries and to match the monthly premium payment for those enrolled in the supplementary medical insurance program.

Legislation will be proposed to: (1) reimburse Federal hospitals for services provided to the aged just as State and local hospitals are reimbursed for similar services; (2) assure that reimbursements to hospitals for depreciation under Medicare will be used to replace facilities and equipment in accordance with State and community plans; and (3) extend Medicare to protect disabled beneficiaries of our social security and railroad retirement systems.

Under the Federal-State medical assistance programs for needy people, States are estimated to spend $2.2 billion in 1968, compared to $1.9 billion in 1967. The Federal share is estimated at $1.2 billion in 1968 compared to $1.0 billion in 1967. Most of these expenditures will be made under the new Medicaid system, in which 48 States are expected to be participating by the end of 1968, compared to 30 by the end of 1967. Legislation will also be proposed to improve this system so that it provides greater services for handicapped needy children and gives greater assurance that Federal grants will be used only on behalf of needy individuals whose medical bills are not met through other means.

Health services.—Expenditures are estimated at $471 million in 1968 for care provided to Indians and other special beneficiaries of Public Health Service programs and for health services supported by the Children's Bureau. This estimate is not comparable with the 1967 figure because of a change in appropriation structure.

Child health programs will be expanded further as an increasing portion of their cost is borne through Medicaid. Legislation will be proposed to improve the availability and quality of health care for children, including dental care. Legislation will also be proposed to assist in staffing centers for the mentally retarded.

Medical care programs for Indians will place greater emphasis on disease prevention. In recent years these programs have made possible significant declines in Indian infant mortality and in the incidence of respiratory diseases.

The following table presents significant program data on the operations of selected Federal health care programs:

FEDERAL HEALTH CARE PROGRAMS

[Fiscal years. Dollars in millions]

Program	1960 actual	1966 actual	1967 estimate	1968 estimate
Medicare (millions):				
Number of aged individuals in the Nation		19.0	19.3	19.7
Covered by hospital insurance			19.1	19.5
Using insurance during the year			4.4	4.5
Covered by insurance for doctor bills			17.6	17.9
Using insurance during the year			5.2	5.4
Total benefit payments			$3,256	$3,795
Medicaid:				
Number of States participating		9	30	48
Number of individuals aided (millions)		1.6	6.4	8.0
Federal expenditures		$202	$884	$1,162
Indians (thousands):				
Number eligible	362	385	388	392
Admissions to hospitals	77	91	91	91
Outpatient visits to hospitals	585	788	810	820
Outpatient visits to field clinics	545	768	825	854
Expenditures	$54	$75	$86	$91
Seamen and other PHS beneficiaries (thousands):				
Number eligible	370	427	437	443
Admissions to hospitals	50	50	51	51
Outpatient visits to hospitals	628	801	824	842
Outpatient visits to field clinics	547	715	745	767
Expenditures	$46	$57	$61	$68

Health resources.—In fiscal year 1968, an estimated $569 million of Federal expenditures will be devoted to providing increased manpower and other health resources, $212 million more than in 1967.

The Hill-Burton hospital construction program initiated in 1946 has made a significant contribution toward helping provide needed additional hospital and long-term care facilities. The 1968 program will provide for the addition or modernization of approximately 21,000 hospital beds, an increase of 7% over 1967, and for 13,000 beds in long-term care facilities. This and other construction will provide for the additional beds needed in most States by 1970, based on State Hospital Planning agency estimates. Together with funds available

from Medicare reimbursements, it will reduce the backlog of hospital modernization needs.

Expenditures of $40 million in fiscal year 1968 for community mental health activities will help construct 87 additional centers, bringing the total number aided to 331. Funds are also included to help meet staff costs in 190 operating centers. In addition, special services will be provided for juvenile delinquents, alcoholics, and drug addicts.

HEALTH RESOURCES

[Fiscal years. Dollars in millions]

Program indicator	1960 actual	1966 actual	1967 estimate	1968 estimate
General hospitals:				
Cumulative number of beds meeting construction standards at end of year	(1)	496,800	531,600	567,600
Total number of beds constructed or modernized during year	(1)	34,400	34,800	36,000
Number of beds constructed or modernized by Hill-Burton program during year	17,140	19,600	20,000	21,300
Long-term care facilities:				
Cumulative number of beds meeting construction standards at end of year	231,000	477,500	544,500	611,500
Total number of beds constructed or modernized during year	(1)	65,000	67,000	67,000
Number of beds constructed or modernized by Hill-Burton program during year	4,055	11,400	13,100	13,100
Community mental health centers:				
Established through Federal aid (cumulative)	----------	157	244	331
New obligational authority for:				
Construction aid	----------	$50	$50	$50
Staffing support	----------	$15	$32	$46
Population served (millions)	----------	27	41	56
Medical schools:				
Number in the Nation	91	93	97	101
Constructed or improved by Federal aid	----------	14	25	32
Obligations for construction	----------	$44	$109	$138
Total number of students enrolled	31,999	34,735	35,430	36,370
Number of MD's graduated	7,508	7,965	8,010	8,065
Number of students receiving Federal scholarships or loans	----------	11,500	15,000	16,400
Obligations for scholarships and loans	----------	$11	$17	$19
Nurses:				
Total number of students enrolled	118,849	135,702	136,500	140,000
Number of students graduated	29,990	34,686	38,000	38,700
Number of students receiving Federal scholarships or loans	----------	11,640	18,250	28,000
Obligations for scholarships and loans	----------	$11	$22	$26

[1] Comparable data not available.

Since 1963 the Federal Government has provided direct support to increase our professional health manpower. Expenditures are estimated to rise by $60 million to a total of $190 million in fiscal year 1968 to: (1) increase the capacity of health educational institutions by 2,300 students through aid for construction of facilities and (2) provide student aid through scholarships and loans to 16,400 medical students, 5,900 dentistry students, 28,000 nurses in training, and 1,200 students in other health professions. In 1968, $15 million of participations in outstanding student loans will be sold, with the proceeds helping to finance this program.

Planning will be substantially completed in fiscal year 1967, and operating grants initiated, on a network of approximately 50 regional medical programs through which the attack on heart disease, cancer, stroke, and related diseases will be accelerated. Expenditures will total $37 million in fiscal year 1968, compared with $8 million in 1967.

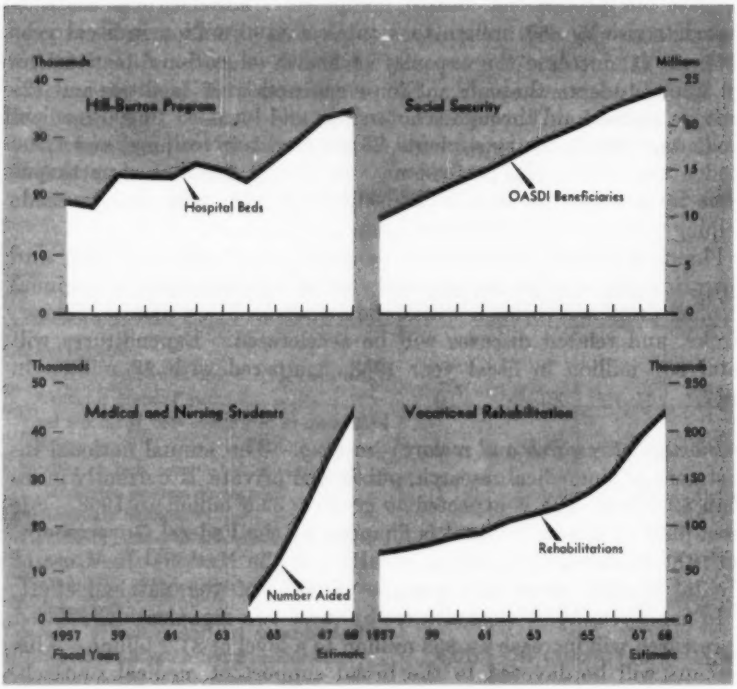
Biomedical research and research training.—The annual national investment in biomedical research, public and private, is currently more than $2 billion, and is expected to grow to $2.5 billion in 1968. Almost 65% of this investment is financed by the Federal Government, with the National Institutes of Health and the National Institute of Mental Health alone supporting over 35% of the national effort.

In fiscal year 1968, expenditures by these two organizations related to research will increase by $53 million to a level of $1.2 billion. This amount will be devoted to the broad support of medical research, to such efforts as the development of artificial organs, vaccines, and chemotherapeutic agents, and to create new biomedical research resources through advanced training for about 30,000 individuals and the construction of new research facilities.

Environmental health and consumer protection.—Federal expenditures to control air pollution will nearly double in 1968 to a level of $50 million. Grants to State and local air pollution control agencies will be greatly increased, planning will be initiated for a National Air Pollution Control Center, and research and enforcement will be accelerated. Legislation will be proposed to augment these efforts through a new enlarged 5-year program to combat air pollution. In addition, Federal agencies are developing plans to reduce air pollution from their own facilities.

Legislation will be proposed to provide assistance to State laboratories and improve the quality of clinical laboratory diagnostic services. With the recent development of a measles vaccine, this disease should be eradicated shortly, and work will be stepped up on the eradication of venereal disease and the control of tuberculosis.

Health, Labor, and Welfare – Program Trends



The budget provides funds for the Food and Drug Administration to triple its research on dangerous drug abuse and to increase enforcement of laws against illegal traffic in these drugs.

Labor and manpower.—This budget provides for further progress in extending the benefits of our growing economy to the Nation's labor force. Administrative budget expenditures for labor and manpower programs are estimated at $526 million in 1968, an increase of $33 million over 1967. In addition, $2.5 billion will be disbursed from the unemployment trust fund, including $589 million for administering the Federal-State employment security system.

Significant data related to the budget program of the Department of Labor follow:

DEPARTMENT OF LABOR MANPOWER PROGRAMS

[Fiscal years]

Program	1966 actual	1967 estimate	1968 estimate
Manpower Development and Training Act Programs:			
New obligational authority (millions)	$400	$390	$402
Number of trainees (thousands)	(273)	(250)	(280)
Institutional training	160	125	112
On-the-job training (OJT)	94	53	48
Combination institutional and OJT training	19	72	64
Other courses (remedial and part-time)			56
Number of individuals served by experimental and demonstration projects (thousands)	48	34	45
United States Employment Service:			
Expenditures, including trust funds (millions)	$287	$310	$325
Number of local offices	1,994	2,012	2,012
Number of special services offices	(151)	(169)	(169)
Applicants seeking work (millions)	10.6	11.0	11.2
Individuals counselled (millions)	1.3	1.3	1.3
Number of tests administered (millions)	2.6	2.7	2.7
Job placements (millions)	11.2	11.9	11.9
Unemployment Insurance Service:			
Expenditures for administration, including trust funds (millions) [1]	$235	$256	$273
Average weekly insured unemployment (thousands)	1,152	1,000	1,000
Federal and State benefits disbursed (millions)	$1,990	$1,755	$1,805
Average weekly benefit (State programs)	$38.51	$39.69	$40.70

[1] Includes the cost of operating 1,436 local offices.

Under the Manpower Development and Training Act of 1962 (MDTA) about 613,000 individuals were enrolled in training from 1962 through the first half of fiscal year 1967. Of the 343,000 who have completed training, over 78% have been placed in jobs. In 1968, the MDTA program will have 30,000 more trainees, and will continue to concentrate on workers with minimal skills. About two-thirds of the trainees will be drawn from these workers, who are least able to take advantage of job opportunities now available. Special assistance will be given to encourage industry to provide intensive on-the-job training to prepare disadvantaged persons for jobs with private firms.

Amendments enacted in 1966 enable the MDTA to provide additional services, such as counseling, to train inmates of correctional

250-000 O—67——9

institutions, and to upgrade the underemployed through part-time training.

To help provide greater and more effective public and private training efforts throughout the Nation, an assessment will be undertaken of the Nation's training policies and the responsibilities of Government and industry.

Trust fund expenditures for operation of the employment security system will increase by $34 million to an estimated total of $589 million in 1968. The United States Employment Service (USES), through its 2,000 local offices, is making an increasing contribution to improved manpower utilization, particularly in the preparation of the State manpower plans through which the MDTA and other programs will be more closely related in local communities. In 1968, the USES will continue improved employment services for disadvantaged youths and will extend its capabilities for reaching those in need through special offices serving both youths and adults.

Economic opportunity programs.—The Office of Economic Opportunity is leading a concerted effort to combat poverty by providing direct services and by encouraging coordinated planning, programing, and action at Federal and local levels.

In fiscal year 1968, expenditures for these programs will be $1.9 billion, an increase of $280 million over 1967. Recommended new obligational authority for 1968 will be $2.1 billion, compared with $1.6 billion for 1967.

Community action programs.—The 1968 budget provides $1.0 billion of new obligational authority for community action programs, an increase of $247 million over 1967. The increase will support additional anti-poverty activities in rural areas and smaller cities and provide higher levels of services in the larger cities. Approximately 43% of the Nation's poor live in rural areas, but they have not been receiving a proportional share of the funds provided to combat poverty.

Local community action agencies (CAA's) bring together Federal, State, local and private programs to provide health, training, employment, educational, and other services to fight poverty. In 1968, CAA's will cover areas in which 70% of the Nation's 31 million poor live. The budget also includes funds to enable the CAA's to improve their capacity to plan, evaluate, and coordinate programs in the local community.

In 1968, local communities will be encouraged to include child development centers in the multipurpose neighborhood centers being supported by the Office of Economic Opportunity. These centers will help families in rearing children, particularly during the critical early years. Various services will be provided, such as day care, family planning, and training in child rearing, and a wide range of health and social services, now scattered or remote, will be made available.

The OEO, in cooperation with other Federal agencies, will also initiate a new program in fiscal year 1967 to provide summer camp facilities for children in poor families. Legislation will be proposed for Federal aid for camp facilities so that ultimately, under the sponsorship of local public and private agencies, most poor children will have an opportunity for healthful and stimulating summer activities.

Project Head Start will fund full academic year preschool classes for 187,000 children and summer projects for 550,000 children. Over 40,000 teachers and 60,000 parents and neighborhood residents will cooperate in giving underprivileged children special attention to enable them to progress properly in the regular school environment. The 1968 budget also includes $135 million in new obligational authority to continue special services to these children in the primary grades, so that they will not lose the benefits of their Head Start experience.

ECONOMIC OPPORTUNITY ACT PROGRAMS

[Fiscal years. Dollars in millions]

Program	1966 actual	1967 estimate	1968 estimate
Work-Training program opportunities (thousands):			
Job Corps enrollees (average number)	10	31	38
Neighborhood Youth Corps:			
In-school	106	125	130
Summer	209	165	165
Out-of-school	55	60	60
Work experience	64	46	30
New obligational authority for adult work-training and "special impact" programs		$98	$258
Community Action Agencies:			
Number operating	700	1,050	1,100
Grants to CAA's	$488	$681	$929
Head Start children (thousands):			
Summer programs	573	550	550
Full-year programs	160	187	187
VISTA volunteers (average number)	1,771	3,300	4,200

Various other programs sponsored by local community action agencies are being supported to assist the poor. Legal Services are being provided, project "Upward Bound" will help culturally deprived talented youths prepare for college, and effective health and neighborhood centers are being developed to bring services directly to the poor where they live. Efforts to engage elderly citizens in community services will be enlarged in 1968.

Job Corps.—The Job Corps offers skill training and useful work experience to disadvantaged young men and women. In 1968, there will be an average of 38,000 enrollees. About 23% will be women, 38% will be in men's urban centers, and the balance will be in rural conservation centers. The 1968 budget provides for continuation of this program at the end of 1967 level.

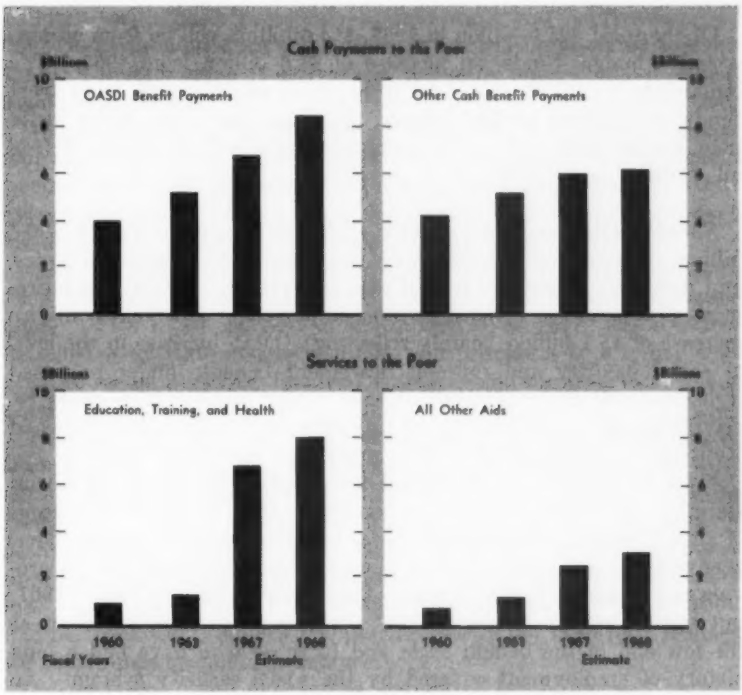
Work-Training.—The 1968 budget includes $649 million for various work and training programs, largely sponsored by local CAA's, to provide opportunities for youths and adults. They include work experience and training, remedial education, and on-the-job training mainly with private employers.

The Neighborhood Youth Corps will provide 355,000 work and training opportunities, increasingly stressing remedial education and training. The Work Experience program for needy adults, now run jointly by the Departments of Labor and Health, Education, and Welfare, will be reduced in 1968 and gradually replaced by an expanded community work-training program under new legislation for public assistance recipients.

Under the 1966 Economic Opportunity Amendments Act, $98 million is being provided for jobs and work training opportunities in 1967 for chronically unemployed adults in rural community beautification projects or in urban ghetto areas where they can have a special impact on living conditions. The 1968 budget provides an increase of $160 million to assist individuals through larger and broadened employability training programs in conjunction with intensive use of supporting services. These programs will be concentrated largely in slum areas with particularly heavy unemployment.

Migrants, VISTA, rural loans.—During 1968, $27 million will be provided for adult education, child day care, sanitation, and housing for many of the 400,000 migrant farm workers in the United States. In addition, VISTA (Volunteers In Service To America) will provide about 4,200 man-years of volunteer service in poverty areas—900 more than in 1967. An estimated 13,000 rural families will receive loans to finance farm improvements or small nonfarm businesses.

Federal Aid to the Poor



Total Federal assistance for the poor.—The Federal Government's total effort to combat poverty is carried on through a broad range of programs. In addition to the anti-poverty programs under the Economic Opportunity Act, other programs which play a major role include social security, public assistance, education, health benefits, employment and retraining, regional economic development, housing, urban redevelopment and community facilities, school lunch, and various food distribution activities.

In fiscal year 1968, Federal expenditures which aid persons below the poverty line are estimated to total $25.6 billion, an increase of $3.6 billion, or 16% over fiscal year 1967, and double the level in 1963. Cash benefit payments will comprise 57% of the total in 1968, while health and education and training programs will make up an additional 31%. All categories will share substantially in the increase in funds from 1963 to 1968. Expenditures going to the poor under education programs will be 13 times greater in 1968 than in 1963,

while health expenditures will more than quadruple. Cash payments to the poor are estimated to be up by 40% from 1963.

Of the total $25.6 billion in 1968, $14.6 billion will be from administrative budget funds, an increase of $1.6 billion from 1967. The remaining $11.0 billion will be from social security and other trust funds, an increase of $2.0 billion. In total, the funds which go to poor people under all Government programs will comprise 27% of all Federal nondefense cash payments.

Social insurance and public welfare.—Expenditures of $30.5 billion are estimated in 1968 from trust funds for old-age, survivors, and disability insurance; for railroad retirement; and for the retirement programs for Federal civilian employees. This represents an increase of $5.1 billion, mainly reflecting: (1) an increase in the level of social security and railroad retirement benefits under proposed legislation, (2) the continued increase in the number of persons receiving benefits, and (3) the first full year costs under a new Railroad Retirement supplemental annuity program.

Most persons over age 65 depend on social security for their financial security. However, the average benefit is still so low that the income of about one-third of the beneficiaries remains below the poverty level even after benefits are counted. Legislation will be proposed to provide an overall increase in benefits of about 20% effective June 1, 1967, but with provision for a greater percentage increase to those at the low end of the benefit scale and to those who have had a long history of employment covered by the social security system. An increase in the taxable wage base from $6,600 to $7,800 effective January 1, 1968, and subsequent increases in the wage base and tax rates, will be proposed to fully finance the additional benefits.

Legislation will also be proposed to assure Federal civilian employees benefits at least equal to those under the social security system, and to credit their service under social security if they do not qualify under one of the Government's retirement systems.

These social insurance and staff retirement systems are financed primarily by employers and employees. Receipts of the retirement and disability trust funds in 1968 are estimated at $31.5 billion, an increase of $1.6 billion over 1967. Almost all of this rise reflects continuing expansion of economic activity, but about $100 million results from the proposed increase in the taxable wage base in the social security system. Receipts of $35 million, collected solely from railroad industry employers in 1968, will be used to finance the new Railroad Retirement supplemental annuity program.

Public assistance.—The Federal-State public assistance program provides needy families and individuals who have no other resources—

the indigent aged, blind, disabled, and families with dependent children—with basic protection against want and deprivation. In 1968, financial assistance and social services will be provided to more than 7.4 million indigent individuals, including more than 3.5 million dependent children.

Within this total, the number of recipients of old-age assistance will continue to decline in 1968 primarily because of recent benefit liberalizations and extension of coverage under social security. However, the number of disabled individuals and families with dependent children receiving assistance is expected to increase.

New obligational authority of about $3 billion is recommended in 1968 for Federal public assistance grants (excluding medical assistance). This is an increase of $66 million over 1967, which, when matched with State and local funds, will provide a $5.0 billion program to render necessary financial assistance and social services to our poorest citizens.

In spite of periodic program liberalizations and rising expenditures from Federal, State and local sources, serious gaps in coverage exist since only about one-quarter of citizens living in poverty qualify for assistance under this program. Furthermore, the general level of cash assistance provided by the States is inadequate, even as measured by needs standards in the States, which are often unrealistically low. Finally, it is now evident that opportunities for rehabilitation and placement in productive employment have not been fully realized for individuals on public assistance.

To overcome these deficiencies, corrective legislation will be proposed to: (1) strengthen incentives for welfare recipients to seek employment, (2) raise the general level of welfare payments, (3) require all States to assist families with children impoverished by unemployment of a parent, and (4) provide comprehensive training and services to help equip such parents for regular employment.

Other welfare services.—The Federal-State vocational rehabilitation program is expected to restore more than 218,000 disabled individuals to productive employment, an increase of about 15% over 1967. Expenditures are expected to increase from $314 million in 1967 to $373 million in 1968. Increased emphasis will be placed on restoring to economic self-sufficiency more of the severely disabled, particularly those now supported by public assistance.

Legislation will be proposed to provide for a youth development program to prevent juvenile delinquency and improve the effectiveness of community services provided for youth.

Project grant programs of the Administration on Aging continue to provide stimulus to States and localities for the development of service programs for all aged citizens. Legislation will be proposed to extend programs designed to provide services necessary for a more

meaningful life for senior citizens, including pilot projects to provide nutrition services.

Total Federal benefits and services for the 19 million persons over age 65 provided under all Federal programs will reach $29 billion in 1968, an increase of $3 billion over 1967 and $8 billion more than was provided in 1966.

The school lunch program of the Department of Agriculture is expected to reach 20 million school children in 1968, 1 million more than in 1967. An estimated increase of $8 million in expenditures in 1968 will provide special assistance for school lunches in low-income areas. Under the recently enacted Child Nutrition Act, breakfasts are provided for children in low-income area schools. Such schools will also benefit from a major increase in funds available for purchase of lunchroom equipment to permit the establishment of lunch programs.

The food stamp program will continue to be expanded so that more low-income families will be able to take advantage of the opportunity to improve their diets. By the end of 1967 the program will reach 2 million people, and another 500,000 participants will be added by the end of 1968.

EDUCATION

Education is an essential investment for social and economic progress in our Nation. Our educational system should enable every citizen to develop fully his capabilities, to participate productively in the economy, and to contribute actively to community and cultural life.

The 89th Congress greatly expanded the scope of the Federal Government's contribution to improving educational opportunities at all levels. In fiscal year 1968, gross outlays on Federal education programs are expected to total $4.5 billion, approximately 12% more than in 1967, and 63% more than in 1966. However, sale of participations in education loan programs will reduce the net impact on the budget to $2.7 billion.

The 1968 budget includes $5.2 billion of new obligational authority for education programs, $622 million more than for 1967. This increase provides for moving ahead on all the recently enacted programs, but concentrates on promoting innovation and improving the quality of education. Particular attention will be placed on increasing the effectiveness of the programs serving the disadvantaged.

Assistance for elementary and secondary education.—Expenditures for elementary and secondary education activities are expected to rise from $1.8 billion in 1967 to $2.0 billion in 1968,

EDUCATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Assistance for elementary and secondary education:				
Education of the disadvantaged	$747	$1,043	$1,102	$1,200
Supplementary centers	11	65	142	240
School books, equipment, guidance, counseling, and strengthening State education agencies	152	226	211	218
Education of the handicapped, National Teacher Corps, and teacher training institutes	48	71	113	156
Assistance to schools in federally impacted areas	410	422	422	439
Proposed legislation for education planning	-------	-------	10	15
Assistance for higher education:				
Aid for undergraduate and graduate students	240	471	580	665
Academic facility loans and grants	107	156	310	452
College housing loans	312	−253	−1,262	338
International education	13	14	18	37
Other aids to institutions	30	63	79	104
Proposed legislation for asset sales	-------	-------	−100	2
Assistance to science education and basic research:				
National Science Foundation:				
Basic research and specialized research facilities	181	188	213	251
Grants for institutional science programs	46	59	86	110
Science education	123	125	128	131
Other science activities	18	23	28	34
Other aids to education:				
Vocational education	129	222	219	267
Indian education services	104	106	125	129
Library of Congress and Smithsonian Institution	55	72	79	75
Grants for libraries and community services	45	114	144	166
Educational research and development	33	65	82	104
National Foundation on the Arts and Humanities	1	8	15	16
Other	31	43	48	44
Proposed legislation for vocational education and educational television	-------	-------	24	50
Subtotal, administrative budget	2,834	3,304	2,816	[1] 5,245
Trust Funds	2	−4	−31	[1] 7
Intragovernmental transactions and other adjustments (deduct)	57	−32	47	
Total	2,780	3,333	2,738	

[1] Compares with new obligational authority for 1966 and 1967 as follows:
Administrative budget funds: 1966, $4,315 million; 1967, $4,623 million.
Trust funds: 1966, $3 million; 1967, $6 million.

primarily for programs established by the Elementary and Secondary Education Act of 1965.

Expenditures under Title I of that Act will total $1.1 billion in fiscal year 1968, an increase of $59 million over 1967. Under Title I, grants are made to improve educational programs in school districts with large numbers of students from low-income families. Special efforts will be made in 1968 to develop close ties between the programs supported under Title I and the Head Start and other Community Action Programs of the Office of Economic Opportunity.

An increase of $77 million in expenditures is estimated for fiscal year 1968 to extend educational services more widely in communities and to develop models for instructional services under Title III of the 1965 Act. This will bring the total expenditures for these efforts to $142 million.

The programs provided under Titles I and III are annually reaching an increasing number of communities and children:

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

[Fiscal years. Dollars in millions]

Program	1966 actual	1967 estimate	1968 estimate
Grants to States (Title I):			
Obligations	$959	$998	$1,200
Number of school districts aided	17,481	18,694	19,940
Number of children aided (millions)	7.0	7.5	8.5
Supplementary centers (Title III):			
Obligations	$46	$164	$240
Number of operational projects	256	1,300	1,525

Expenditures of $221 million are estimated in fiscal year 1968 for purchasing books, equipment, and other educational resources; for guidance and counseling; and for strengthening planning and analytical capabilities of departments of education in the States through existing and proposed legislation. A supplemental appropriation for 1967 and additional funds for 1968 are recommended to provide more school classes for physically and mentally handicapped children. A program will be proposed for pilot centers providing educational services for these children.

Federal grants for school operation and construction in school districts with concentrations of Federal employees will total $422 million in fiscal year 1968, the same as in 1967.

A 1967 supplemental appropriation of $12 million and legislative amendments for 1968 are proposed to continue the Teacher Corps,

a program through which teams of experienced teachers and teaching interns are made available to serve, when requested, in schools with large numbers of children from low-income families. These supplemental funds are required to recruit teachers for the next school year. Estimated expenditures of $21 million in 1968 will permit the Corps to reach a total strength of 5,950 by June 30, 1968.

Through a number of programs, the Government is carrying on an expanding effort to train teachers for elementary and secondary education and for college teaching. Under proposed legislation, existing programs will be broadened in scope and made more flexible to meet changing national needs. Full-year and part-time training will increase in fiscal year 1968, as follows:

TEACHER TRAINING PROGRAMS

[Fiscal years. Dollars in millions]

Program	1966 actual	1967 estimate	1968 estimate
Office of Education:			
Obligations	$147	$198	$247
Number of teachers trained:			
Teacher fellowships	13,028	18,565	21,280
Teacher institutes	30,766	27,031	36,981
Guidance counsellors	1,980	1,650	1,650
Teachers of the handicapped	8,320	9,765	9,765
National Teacher Corps	1,600	3,700	5,950
National Science Foundation:			
Obligations	$42	$42	$40
Number of teachers trained:			
Teacher institutes	43,950	38,085	35,716
Cooperative college-school program	3,231	3,424	12,000
Total teachers trained	102,875	102,220	123,342

Assistance for higher education.—Legislation in recent years has provided unprecedented Federal aid for college and graduate students. In 1968, the Office of Education and other Federal agencies will provide substantially increased support for academically qualified undergraduate students in need of financial assistance. An estimated total of $1.1 billion in financia' aid will be provided through federally-aided scholarships, loans, insured loans, and work-study programs. Net budget expenditures for such student aid, however, will total only $368 million because of sales of participations in Government-held loans and because of increased reliance on insurance of private loans.

Aid by the Office of Education and Veterans Administration for undergraduate students is as follows:

AID FOR UNDERGRADUATE COLLEGE STUDENTS

[Fiscal years. Dollars in millions]

Program	1966 actual	1967 estimate	1968 estimate
Office of Education:			
Aid provided or guaranteed	$418	$919	$1,127
Number of students aided (thousands):			
Educational opportunity grants	134	221	285
National Defense Education Act loans	400	435	437
Work-study	190	191	226
Insured private loans	105	480	750
Veterans Administration: [1]			
Aid provided or guaranteed	$30	$310	$410
Number of students aided (thousands)	17	455	478
Total number of student grants and loans [2]	846	1,782	2,176

[1] Funds are included under Veterans Benefits and Services.
[2] Involves some duplication, because a number of students are assisted under more than one program; also includes some aid to graduate students.

Legislation is being proposed to authorize (1) loans to colleges and universities to provide capital for their student loan funds under the National Defense Education Act and (2) sales of participations in such loans. This increased use of private rather than public credit will reduce net budgetary outlays by an estimated $100 million, but the number of students receiving loans will be the same in 1968 as in 1967.

New obligational authority of $450 million is recommended for fiscal year 1968 for higher education academic facilities grant programs of the Office of Education, under which funds are provided for the construction of classrooms, laboratories, and libraries.

New loans for academic facilities will total $200 million, the same as in 1967. These loans permit higher education institutions to borrow a portion of the cost of new or remodeled academic facilities. In 1968 they will continue to be financed in part by sales of participations in earlier loans.

A strong level of demand has been continuing for academic facility loans and for dormitory construction loans under the college housing program of the Department of Housing and Urban Development. This is due primarily to the recently enacted reduction in Federal interest rates for these loans. This reduction attracted applications from colleges previously obtaining private financing at somewhat higher but still reasonable interest rates. To insure that the Federal loan program is not merely substituting for available private credit, legislation will be proposed to adjust the present statutory rate to

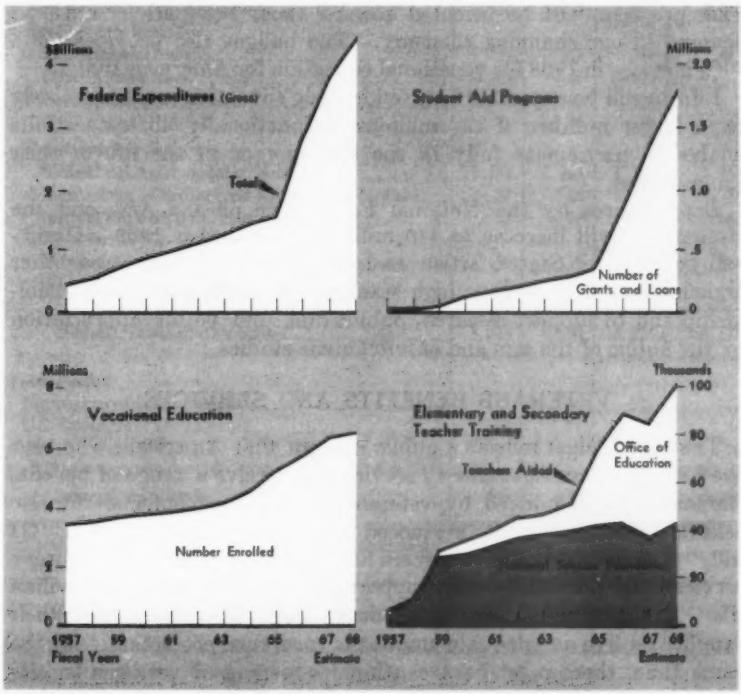
more reasonable levels. In that way, Federal resources will be concentrated on those cases where private financing at such reasonable rates is not available.

Under this proposed legislation, new loan reservations of $300 million are expected in 1968 for the college housing loan program—the same program level as in 1967. This amount will support the planning and construction of living spaces for 50,000 college students. However, sales of participations will exceed expenditures by $1.3 billion compared with $253 million in 1967.

This budget includes a supplemental appropriation of $350 thousand for fiscal year 1967, to start a center for international education in the Department of Health, Education, and Welfare. New obligational authority of $37 million is requested for 1968 for the center, which will make grants to institutions of higher education for programs to increase understanding of foreign nations and cultures.

Expenditures for other aids to higher education institutions, including funds for equipment, land-grant institutions, and assistance to smaller colleges which have severely limited resources, will be $79 million in 1968.

Education —Program Trends



Assistance to science education and basic research.—This category covers the expenditures of the National Science Foundation, which are estimated at $455 million in 1968. This represents an increase of $60 million over the 1967 level. One-third of this increase will be used to improve the quality of science training and research at colleges and universities, including a pilot program to determine the feasibility of improving graduate and undergraduate education through student use of electronic computers for course work.

Another half of the additional funds in 1968 will be devoted to basic research grants and contracts, primarily to universities, to expand fundamental knowledge in fields of growing national concern, such as oceanography, atmospheric sciences, social sciences, and chemistry.

Other aids to education.—Expenditures for other educational programs are estimated to increase from $631 million in 1967 to $737 million in 1968. These increases are primarily for libraries, extending and broadening Federal support for educational television, and research.

Legislation is proposed to support projects experimenting with different methods of providing vocational education, particularly for students not planning to go to college and for the disadvantaged. This program will be oriented toward those occupations most in demand in our changing economy. The budget also provides for a 30% increase in 1968 for vocational education for American Indians.

Efforts will be expanded to provide basic education more effectively for a larger number of the millions of functionally illiterate adults unable to participate fully in the economy or in the life of their communities.

Expenditures by the National Foundation on the Arts and the Humanities will increase to $15 million in fiscal year 1968. Grants will be made to States, artists and scholars, institutions, and other organizations to encourage high standards in performance and scholarship and to support research, publication, and better appreciation by the public of the arts and of humanistic studies.

VETERANS BENEFITS AND SERVICES

The 1968 budget reflects a public concern that Americans who bear the hazards of current military service will receive a range of benefits similar to those enjoyed by veterans of previous conflicts. It also reflects a determination, evidenced by recent enactment of a "GI bill," to assist those whose careers have been interrupted by military service to find adequate career opportunities as they return to civilian life. For servicemen on active duty, there is concern that their families receive an adequate amount of insurance protection. At the same time, there must be a continual screening of veterans legisla-

tion to assure funds are not diverted to outmoded or inequitable benefits. Accordingly, legislation will be proposed to:

- Amend the new "GI bill" to increase educational allowances and training time to help assure that every returning veteran may attain a better education and job.
- Extend to veterans of the Vietnam era all compensation, pension, and medical benefits accorded to veterans of earlier wars.
- Amend the Servicemen's Group Life Insurance program to enable each serviceman to increase substantially the insurance protection for his family.
- Terminate certain duplicative, inequitable, or outmoded benefits.

VETERANS BENEFITS AND SERVICES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Service-connected compensation	$2,221	$2,298	$2,430	$2,435
Non-service-connected pensions	1,910	1,931	2,037	2,042
Readjustment benefits:				
Education and training	31	353	404	414
Direct housing loans	−702	−45	−129	----------
Housing loan guarantees	−4	189	−330	1
Other	11	13	13	13
Hospital and medical care:				
Medical care and hospital services	1,182	1,264	1,328	1,357
Construction of hospital and nursing home facilities	84	66	81	56
Medical administration, research, and other	52	59	62	62
Other veterans benefits and services:				
Veterans Administration general operating expenses	158	176	178	184
Other	80	90	50	112
Subtotal, administrative budget	5,023	6,394	6,124	[1] 6,676
Trust Funds:				
National service life insurance	485	696	522	710
U.S. Government life insurance	69	76	64	44
Other	12	−2	−30	10
Subtotal, trust funds	565	770	557	[1] 764
Intragovernmental transactions and other adjustments (deduct)	33	72	17	
Total	5,556	7,092	6,664	

[1] Compares with new obligational authority for 1966 and 1967 as follows:
Administrative budget funds: 1966, $6,019 million; 1967, $6,498 million.
Trust funds: 1966, $749 million; 1967, $764 million.

In fiscal year 1968 benefits for veterans will rise considerably, as increasing numbers of younger veterans seek educational assistance and more older veterans and survivors apply for health and income benefits authorized by law. However, total payments to the public for veterans programs are estimated to decline by $428 million from the 1967 level, mainly reflecting increased sales of Government-owned loan assets acquired in veterans housing programs.

Service-connected compensation.—Compensation payments are made to veterans who suffer physical disability as a direct result of military service. In the event of a death connected with military service, survivors are also entitled to special compensation, with rates graduated to correspond with the veteran's military rank. The compensation program is designed to make up the average economic loss suffered by the veteran due to his disability, or, in the case of survivors, to alleviate the economic loss created by the veteran's death. The range of payments under this program is illustrated by the following table:

SERVICE-CONNECTED COMPENSATION

[Fiscal years]

Program indicator	1966 actual	1967 estimate	1968 estimate
Veterans:			
Disability 30% or less:			
Average number of beneficiaries (thousands)	1,437	1,439	1,440
Total payments (millions)	$575	$600	$604
Average annual payment	$400	$417	$419
Disability 40%–100%:			
Average number of beneficiaries (thousands)	555	557	561
Total payments (millions)	$1,256	$1,311	$1,320
Average annual payment	$2,263	$2,354	$2,354
Survivors:			
Average number of beneficiaries (thousands)	365	368	371
Total payments (millions)	$483	$498	$511
Average annual payment	$1,324	$1,352	$1,377

Non-service-connected pensions.—For veterans who can demonstrate financial need and total disability, the pension program provides an income supplement. A special program for veterans'

widows and children also is designed to alleviate hardship. Pensions under the current pension law are as follows in the 1966–1968 period:

NON-SERVICE-CONNECTED PENSIONS

[Fiscal years]

Program indicator	Number of beneficiaries (thousands)			Payments (millions)		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Veterans without dependents:						
Outside income:						
Under $600	126	141	154	$169	$186	$202
$601–$1,200	63	70	75	63	69	74
$1,201–$1,800	41	45	47	23	25	26
Veterans with dependents:						
Outside income:						
Under $1,000	215	237	250	309	334	353
$1,001–$2,000	214	234	240	224	239	248
$2,001–$3,000	78	83	84	48	51	51
Adult survivors without dependents:						
Outside income:						
Under $600	170	190	203	146	161	173
$601–$1,200	130	145	155	67	74	79
$1,201–$1,800	52	58	62	16	17	19
Adult survivors with dependents:						
Outside income:						
Under $1,000	65	72	77	99	109	117
$1,001–$2,000	41	45	48	37	41	44
$2,001–$3,000	17	18	20	13	14	15
Children only	197	215	235	132	146	156

Readjustment benefits.—Fiscal year 1968 is the second year of the new "GI bill". Under this program, education and training assistance is available to veterans who entered service after January 31, 1955. Approximately 4.5 million individuals are currently eligible.

In 1968, total enrollment and payments will increase substantially, reflecting the proposed amendment of the "GI bill" to increase educational allowances and to extend training time for educationally disadvantaged veterans. An estimated 562,000 veterans are expected to receive training in 1968, resulting in an average monthly enrollment of 295,000 trainees.

250-000 O—67——10

Program levels are shown in the following table:

EDUCATION AND TRAINING OF POST-KOREAN VETERANS

[Fiscal years]

Program indicator	1967 estimate	1968 estimate
Higher education:		
Average number of beneficiaries (thousands)	204	243
Payments (millions)	$279	$381
Average annual payment	$1,363	$1,569
Below college level:		
Average number of beneficiaries (thousands)	36	52
Payments (millions)	$48	$82
Average annual payment	$1,363	$1,569

In addition to training benefits, the Veterans Administration guarantees housing loans for eligible veterans and makes direct housing loans to veterans in rural areas or small communities where private credit is not generally available. These programs are expected to continue in 1968 at approximately the same level as in 1967.

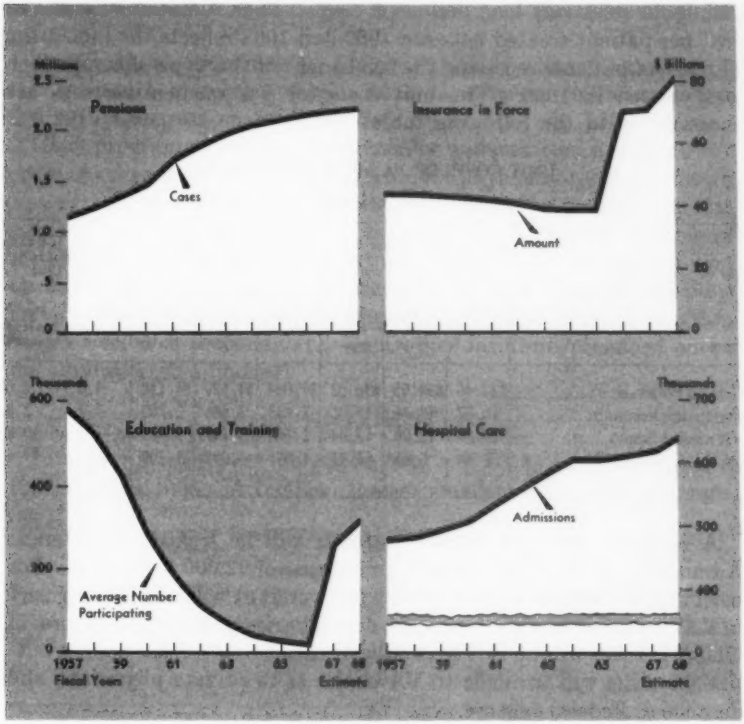
In fiscal year 1968, the total demand for loan guarantees is not expected to differ greatly from 1967, as demand of post-Korean veterans increases and eligibility of World War II veterans terminates in July 1967. Proceeds of sales of financial assets acquired under this program are estimated to exceed expenditures by $330 million in 1968, in contrast to net budget expenditures of $189 million in 1967.

In the direct loan program, increased sales of previously acquired assets in fiscal year 1968 will exceed expenditures by $129 million. Although the number of direct loans disbursed is expected to remain at 12,300 in both 1967 and 1968, the average loan amount is estimated to rise from $11,800 to $12,700.

Hospitals and medical care.—Federal expenditures for medical care of veterans are estimated at $1.5 billion in 1968. This amount—which covers medical services, administration, medical research, and construction of new medical facilities—is $82 million higher than in 1967.

Services, research, and administration.—The medical program of the Veterans Administration provides care in nearly 200 VA hospitals and clinics across the country. By law, this care is assured all veterans with service-connected disabilities. To the extent that available facilities and staff are not required for these veterans, hospital care is provided for veterans with non-service-connected disabilities who are unable to pay for care in other hospitals.

Veterans Benefits and Services – Program Trends



An estimated increase of $64 million in expenditures will enable the Veterans Administration to continue its efforts to provide quality medical care for veterans. Of this amount, $37 million will provide for improvements started in 1967 and $27 million will be used to provide for 178 new specialized treatment facilities in hospitals, improved nurse staffing, and expansion of research and training programs. Another notable improvement is the medical information exchange program authorized by Congress to begin on a pilot basis in 1968.

The improvements in medical care provided in general hospitals have resulted in a higher cost per patient day, but have made possible a more rapid patient turnover. The value of the care received by the patient has increased since he has to spend less time in the hospital and receives a greater amount of medical services. Reductions in the length of stay of hospital patients partially compensate for increases in the daily cost per patient.

The patients entering nursing homes usually have chronic illnesses calling for relatively long periods of stay. The estimated 10% rise in cost per patient treated between 1967 and 1968 reflects the increasing number of patients receiving the full benefit of this type of care, which was started in 1965. The unit costs for VA medical services are summarized in the following table:

UNIT COSTS OF VA MEDICAL SERVICES

[Fiscal years]

Description	Average cost per day of care			Total cost per patient treated			Percent increase in cost, 1968 over 1967	
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate	Per day of care	Per patient treated
General hospitals	$32.46	$34.93	$36.32	$1,064	$1,129	$1,158	4.0	2.6
Psychiatric hospitals	16.87	18.34	19.01	2,483	2,686	2,760	3.7	2.8
VA nursing homes	15.89	17.00	17.04	2,309	3,147	3,463	.2	10.0
VA domiciliaries	6.48	6.68	6.77	1,051	1,092	1,109	1.3	1.6

A record number of 805,000 patients will be treated in Veterans Administration facilities in 1968, an increase of 22,000 over 1967. For each day in 1968, an average of 139,000 veterans will be receiving care in VA, contract, or State hospitals, domiciliaries, and nursing homes, of whom 124,000 will be in VA facilities. An estimated 6.4 million outpatient visits will be made to VA clinics or to private physicians and dentists at Federal expense.

Construction of hospital and nursing home facilities.—The 1968 budget will finance a continuing program of replacing and relocating outmoded medical facilities. New hospitals in Miami, Florida, and San Juan, Puerto Rico, will be activated in 1968 and new hospitals in Gainesville, Florida, and Charleston, South Carolina, will be fully staffed.

An estimated $81 million will be spent in 1968 for construction of hospitals and nursing homes. Since 1961, $534 million has been appropriated for the program to modernize the veterans hospitals. To carry it forward in 1968, new obligational authority of $52 million is requested, including $3 million for construction and planning of new medical research facilities. In addition, $4 million is requested for the grant program authorized in 1965 to assist the States to build nursing home facilities in conjunction with their soldiers' homes.

Construction is expected to start on new hospitals at San Diego, California, and Tampa, Florida, and will continue on a hospital in

Chicago, Illinois. Planning will begin on a hospital in Seattle, Washington.

Veterans life insurance.—To assure that each serviceman can obtain insurance protection despite hazards of current military service, the 89th Congress enacted the Servicemen's Group Life Insurance (SGLI) program providing commercially underwritten insurance coverage of up to $10,000. The Government pays only the extra-hazard cost of this insurance, meeting all death claims in excess of normal mortality rates. Legislation will be proposed to increase the amount of SGLI coverage available to every serviceman. Veterans of previous conflicts continue to receive insurance protection from the National Service Life Insurance and U.S. Government Life Insurance programs financed from trust funds and from other insurance financed within the administrative budget.

INTEREST

Interest payments on the public debt will be $1.4 billion higher in 1967 than in 1966. A further (though smaller) increase is estimated for 1968.

INTEREST

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Interest on public debt	$12,014	$13,400	$14,050	$14,050
Interest on refunds of receipts	104	93	87	88
Interest on uninvested funds	14	15	15	15
Subtotal, administrative budget	12,132	13,508	14,152	14,153
Intragovernmental transactions and other adjustments (deduct):				
Interest paid to trust funds and Government agencies	2,171	2,571	3,013	
Excess of interest accrued over interest paid	745	1,060	630	
Total	9,215	9,877	10,509	

The increase in payments from 1966 to 1967 arises largely from higher interest rates. During the past 14 months rates payable on Treasury borrowing rose to the highest levels reached in several decades. The sharpest rises were in the rates on short-term debt which matures in large volume and must be refinanced each year.

Market rates have declined somewhat from the peak reached in the fall of 1966 and the estimate of interest payments in 1968 takes that decrease into account. It also takes into account the increase in the interest-bearing debt consistent with the estimates of receipts and expenditures in this budget.

Payments to the public for interest in 1968 will be less than administrative budget expenditures for the following reasons:

(1) Interest payments of $3.0 billion received by Federal trust funds and agencies from investments in U.S. Government securities are included in administrative budget expenditures but are excluded from cash payments to the public since they are transactions within the Government, (2) accruals of interest primarily on savings bonds—included in administrative budget expenditures—are estimated to exceed by $0.6 billion the actual interest payments made to bondholders during 1968.

GENERAL GOVERNMENT

Outlays for general governmental activities cover mainly Federal legislative and judicial functions, general administrative and fiscal activities, and programs for law enforcement and criminal justice. Payments to the public in 1968 for these general government functions will total an estimated $2.7 billion, $35 million more than in 1967. This increase will strengthen and improve programs to combat crime, extend civil rights activities, increase the effectiveness of our tax collection system, and provide more efficient Federal office space and facilities for government activities.

Legislative and judicial functions.—Expenditures for the legislative functions of the Government are expected to total $178 million in 1968, an increase of $7 million over 1967. The Government's judicial functions will require an increase of $6 million in 1968, primarily to pay the legal fees of indigent defendants as required by the Criminal Justice Act of 1964.

Central fiscal operations.—Expenditures of the Internal Revenue Service in 1968 are estimated at $681 million, an increase of $26 million over 1967. In view of the growing number of taxpayer returns, this increase will permit the Service to maintain about the same degree of audit coverage as in 1967. In addition, the program initiated in 1966 to centralize the filing of tax returns at automatic data processing centers will be further expanded in 1968. This program, scheduled to be completed by 1970, will produce significant improvements in tax administration. Systematic analyses of tax administration programs are being conducted to insure that these programs are carried out in an efficient and equitable manner.

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1968
	1966 actual	1967 estimate	1968 estimate	
Administrative Budget Funds:				
Legislative functions	$159	$171	$178	$178
Judicial functions	79	90	96	97
Executive direction and management	24	28	30	30
Central fiscal operations:				
Treasury Department:				
Internal Revenue Service	611	655	681	699
Bureau of the Mint:				
Present programs	26	36	37	16
Proposed legislation	------	−26	−22	−16
Other	177	190	187	191
Other agencies	51	55	58	58
General property and records management:				
General Services Administration:				
Public Buildings Service:				
Construction, sites, and planning	202	186	206	80
Operation, maintenance, and other	335	332	361	354
Other	48	156	123	117
Central Intelligence Agency building	*	2	------	------
Central personnel management:				
Department of Labor	53	60	59	60
Civil Service Commission and other	122	133	137	137
Protective services and alien control:				
Department of Justice:				
Present programs	366	419	417	429
Proposed legislation	------	------	20	31
Other	20	26	27	27
Other general government:				
Territories and possessions:				
Present programs	145	176	170	151
Proposed legislation	------	------	8	12
Treasury—claims	39	24	5	6
Alaska grants and other	7	11	2	7
Subtotal, administrative budget	2,464	2,725	2,781	[1] 2,664
Trust Funds	24	33	29	[1] 29
Intragovernmental transactions and other adjustments (deduct)	84	63	82	
Total	2,404	2,694	2,729	

*Less than one-half million dollars.

[1] Compares with new obligational authority for 1966 and 1967, as follows:
Administrative budget funds: 1966, $2,540 million; 1967, $2,691 million
Trust funds: 1966, $27 million; 1967, $28 million.

Legislation will be proposed to establish a revolving fund in 1968 to finance the operating activities of the Mint. Expenses, including the purchase of monetary metal, will be financed by revenues from coinage activities, including seigniorage. Receipts in excess of requirements will be deposited in miscellaneous receipts in accordance with the current practice.

The following table summarizes the value of resources used by the Treasury Department for major program categories and identifies selected measures of output:

RESOURCES USED AND RELATED MAJOR OUTPUTS, TREASURY DEPARTMENT

[Fiscal years. Dollars in millions]

Program	1966 actual	1967 estimate	1968 estimate
Administration of Government finances	$89.8	$92.5	$93.0
Number of savings bonds issued (millions)	108.2	113.0	116.8
Number of savings bonds retired (millions)	101.7	105.3	109.0
Number of checks issued (millions)	398.4	405.9	420.2
Collection of internal revenue and customs duties	$676.5	$720.2	$750.7
Number of returns processed by Internal Revenue (millions)	104.0	106.6	109.1
Number of returns examined and disposed of (millions)	3.5	3.3	3.5
Number of formal import entries filed (millions)	2.0	2.1	2.3
Number of persons arriving in U.S. (millions)	192.0	201.3	210.6
Manufacture and distribution of coins, currency, and other financial instruments	$366.8	$182.1	$135.0
Currency produced and shipped (billions of pieces)	2.3	2.0	2.1
Coins produced (billions of pieces)	8.7	10.6	6.6
Special law enforcement	$62.4	$69.2	$75.9
Number of investigations and cases completed (thousands)	107.3	111.9	122.3

General property and records management.—New obligational authority of $80 million requested for 1968 will provide for the acquisition of sites and the planning and construction of new buildings needed to meet only the most pressing requirements. This new obligational authority is $66 million below the amount enacted for 1967. Despite this decline, expenditures for construction financed in prior years will increase to an estimated $206 million in 1968, $20 million more than in 1967.

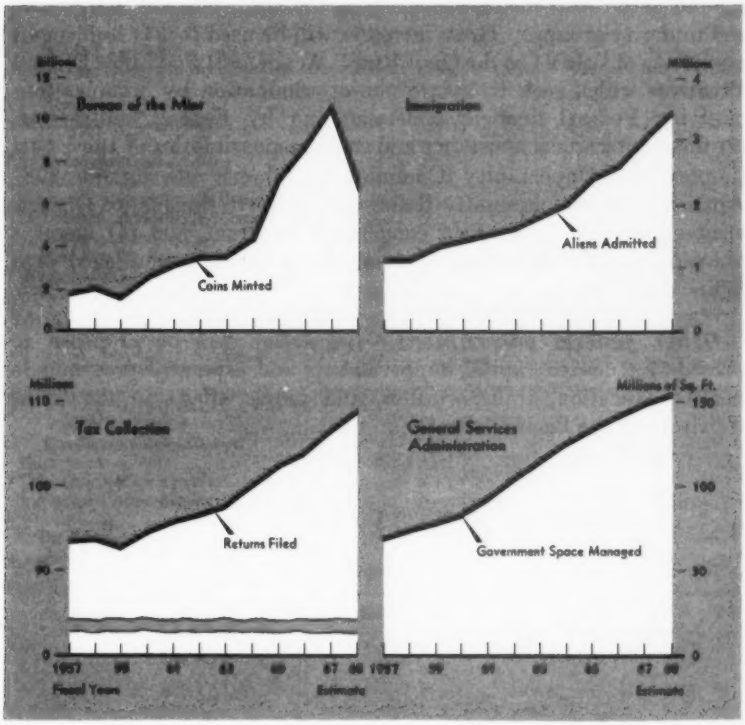
Increased rentals and repairs of buildings will boost 1968 expenditures for operation, maintenance, and repair of space for Federal agencies by $29 million to $361 million. Expenditures for other General Services Administration activities will decline by $33 million

in 1968 because of the lower rate of increase in inventory supplies required to support military operations in Southeast Asia.

Central personnel management.—Amendments to the Federal Employees Compensation Act enacted in 1966 provide higher benefits and establish new procedures for compensating Federal workers and their families in the event of accidental injury or death occurring on the job. These improvements will add $12 million in benefit payments during 1967 and 1968.

Expenditures of the Civil Service Commission are estimated at $137 million in 1968, an increase of $4 million over 1967. The Commission is continuing efforts to modernize the recruiting and examining system so that, through interagency examining boards, persons seeking Federal employment can receive at one location complete information on employment opportunities.

General Government – Program Trends



Legislation will be proposed to increase the number of well-trained capable public employees in State and local governments through training grants, aids in strengthening personnel management, and interchanges of personnel with the Federal Government.

Protective services and alien control.—Expenditures of the Department of Justice in 1968 under existing legislation are estimated to continue at approximately the 1967 level. Increased spending primarily in connection with current law enforcement programs will be offset by reductions in other operating expenditures. Legislation will be proposed authorizing a new program of Federal financial and technical assistance to State and local governments to help combat crime. This program will encourage comprehensive planning and will support significant new efforts to improve law enforcement and criminal justice systems at the State and local level.

Civil rights.—Increases have been provided for various agencies to expand activities which seek to secure the civil rights of individuals and minority groups. These increases will be used to: (1) implement provisions of title VI of the Civil Rights Act of 1964 and other Federal directives which seek to assure non-discrimination by organizations receiving Federal financial assistance and by Federal contractors, (2) finance technical assistance and other responsibilities of the Equal Employment Opportunity Commission, (3) provide for an 80% expansion in the Community Relations Service in the Justice Department—primarily in the field conciliation program, and (4) increase the number of FBI personnel available to investigate alleged civil rights violations.

Other general government.—Legislation will be proposed to provide for needed capital improvements and expanded programs in health, education, transportation, and public affairs in the Trust Territory of the Pacific Islands.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)

[Note.—This table shows expenditures by agency for each subfunction. The accounts which make up the total for each agency are identified by the functional code numbers shown in the analysis of new obligational authority and expenditures (pp. 169 to 391)]

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS						
050 NATIONAL DEFENSE						
051 Department of Defense—Military:						
Military personnel	17,073	20,435	22,025	16,753	20,200	21,823
Operation and maintenance	15,339	19,274	19,154	14,710	18,600	19,017
Procurement	20,013	22,886	22,917	14,339	18,465	21,632
Research, development, test, and evaluation	6,746	7,181	7,273	6,259	6,700	7,200
Military construction	2,566	1,097	2,123	1,334	1,600	1,600
Other	2,155	1,162	1,182	1,015	1,385	1,028
Total 051	63,892	72,034	74,674	54,409	66,950	72,300
057 Military assistance:						
Funds appropriated to the President	1,023	782	596	968	1,000	800
058 Atomic energy:						
Atomic Energy Commission	2,366	2,199	2,493	2,403	2,270	2,330
059 Defense-related activities:						
Executive Office of the President	4	4		5	5	1
Funds appropriated to the President				−152	−93	−32
Department of Health, Education, and Welfare		10	12	15	9	10
General Services Administration	17	20	18	16	20	20
Other independent agencies: Selective Service System	61	59	57	54	60	58
Total 059	83	93	88	−62	1	57
Total, national defense	67,364	75,108	77,851	57,718	70,222	75,487
150 INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Department of State	312	321	333	301	320	332
Other independent agencies:						
Foreign Claims Settlement Commission	2	2	1	2	2	1
Tariff Commission	3	4	4	3	4	4
United States Arms Control and Disarmament Agency	10	9	10	9	9	9
Total 151	328	336	348	315	335	346

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
152 Economic and financial assistance:						
Funds appropriated to the President	3,277	2,607	2,759	2,235	2,178	2,754
Department of Agriculture				*		
Department of State	8	6	6	9	7	6
Department of Transportation	2		7	5	8	9
Other independent agencies: Export-Import Bank				−385	128	−365
Total 152	3,287	2,613	2,771	1,864	2,321	2,403
153 Foreign information and exchange activities:						
Department of State	59	53	55	61	58	56
Other independent agencies: United States Information Agency	185	175	194	167	184	192
Total 153	244	228	249	227	242	248
154 Food for Freedom:						
Department of Agriculture	1,658	1,617	1,772	1,784	1,710	1,799
Total, international affairs and finance	5,517	4,794	5,142	4,191	4,608	4,797
250 SPACE RESEARCH AND TECHNOLOGY						
251 Space research and technology:						
National Aeronautics and Space Administration	5,175	4,968	5,050	5,933	5,600	5,300
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income stabilization:						
Department of Agriculture	3,346	3,574	2,131	1,925	2,368	2,467
352 Financing farming and rural housing:						
Department of Agriculture	314	82	94	168	−523	−577
Other independent agencies: Farm Credit Administration				−7	−8	−7
Total 352	314	82	94	160	−532	−584
353 Financing rural electrification and rural telephones:						
Department of Agriculture	466	504	48	373	259	319
354 Agricultural land and water resources:						
Department of Agriculture	373	360	243	346	379	381

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
355 Research and other agricultural services:						
Funds appropriated to the President	----------	----------	----------	*	*	*
Department of Agriculture	537	565	580	501	559	591
Other independent agencies: Temporary study commissions	2	*	*	1	1	*
Total 355	538	566	580	503	560	591
Total, agriculture and agricultural resources	5,037	5,086	3,096	3,307	3,035	3,173
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Agriculture	98	102	102	102	102	104
Department of Defense—Civil	1,330	1,292	1,289	1,250	1,260	1,330
Department of the Interior	845	898	988	781	724	855
Department of State	21	15	18	33	36	23
Other independent agencies:						
Federal Power Commission	14	14	15	13	14	15
Intergovernnmental commissions	*	*	*	*	*	*
Temporary study commissions	1	1	1	*	1	2
Tennessee Valley Authority	59	1,064	62	54	78	111
Water Resources Council	*	2	4	*	2	4
Total 401	2,368	3,388	2,479	2,235	2,218	2,443
402 Forest resources:						
Department of Agriculture	374	502	487	386	442	424
Department of the Interior	20	22	25	20	21	24
Total 402	394	524	512	406	463	449
403 Mineral resources:						
Department of the Interior	106	131	124	108	115	140
404 Fish and wildlife resources:						
Department of Defense—Civil	*	*	*	*	*	*
Department of the Interior	148	144	141	127	131	136
Department of State	3	2	2	2	2	3
Total 404	151	146	143	130	134	139
405 Recreational resources:						
Department of the Interior	249	239	281	152	199	246
Other independent agencies: Historical and memorial commissions	*	*	*	*	*	*
Total 405	249	239	281	152	199	246
409 General resource surveys and administration:						
Department of the Interior	87	98	106	89	97	103
Total, natural resources	3,356	4,526	3,645	3,120	3,226	3,518

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
500 COMMERCE AND TRANSPORTATION						
501 Air Transportation:						
Department of Transportation	867	993	741	804	880	827
Other independent agencies: Civil Aeronautics Board	83	67	60	75	66	63
Total 501	950	1,060	801	879	946	890
502 Water transportation:						
Department of Commerce	336	327	363	303	280	305
Department of Defense—Civil				−4	−1	−6
Department of Transportation	473	500	519	406	471	499
Other independent agencies: Atlantic-Pacific Interoceanic Canal Study Commission	7	7	8	3	7	7
Total 502	816	834	889	708	757	806
503 Ground transportation:						
Department of Transportation	111	305	23	46	92	19
505 Postal service:						
Post Office Department	962	1,227	651	888	1,208	544
506 Advancement of business:						
Funds appropriated to the President	35	9		28	15	
Department of Commerce	276	305	368	299	294	365
Department of Housing and Urban Development				−10	−25	−27
Department of Transportation	25	28	18	16	20	20
Other independent agencies: Small Business Administration	317	8	18	−140	−122	49
Total 506	653	350	404	193	182	407
507 Area and regional development:						
Funds appropriated to the President				88	38	
Department of Commerce	332	429	424	67	167	322
Department of Housing and Urban Development	*			*		
Other independent agencies:						
Intergovernmental commissions		1	1	1	1	1
Alaska development committees	*	*	*	*	*	*
Total 507	333	430	426	156	207	323

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
508 Regulation of business:						
Department of Commerce	5	5	5	5	5	5
Department of Justice	7	8	8	7	8	7
Other independent agencies:						
Civil Aeronautics Board	11	11	9	11	11	9
Federal Communications Commission	17	18	19	17	18	18
Federal Maritime Commission	3	4	4	3	4	4
Federal Trade Commission	14	14	15	14	14	15
Interstate Commerce Commission	28	27	24	27	27	24
Securities and Exchange Commission	16	17	17	16	17	17
Total 508	101	104	101	99	103	100
Total, commerce and transportation	3,927	4,309	3,295	2,969	3,495	3,089
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aids to private housing:						
Funds appropriated to the President	-------	3	-------	-------	3	-------
Department of Housing and Urban Development	198	696	640	−151	65	−59
Other independent agencies: Federal Home Loan Bank Board	-------	13	-------	−255	−130	−317
Total 551	198	712	640	−406	−62	−376
552 Public housing programs:						
Department of Housing and Urban Development	237	278	307	233	263	282
553 Urban renewal and community facilities:						
Department of Housing and Urban Development	1,225	1,044	1,894	446	561	982
555 National Capital region:						
Other independent agencies:						
Commission of Fine Arts	*	*	*	*	*	*
Intergovernmental commissions	*	*	*	*	*	*
National Capital Housing Authority	*	*	-------	*	*	-------
National Capital Planning Commission	1	1	1	1	2	1
National Capital Transportation Agency	4	10	*	2	6	7
Temporary study commissions	-------	*	-------	-------	*	*
District of Columbia	118	141	159	71	119	127
Total 555	124	152	160	75	127	135
Total, housing and community development	1,784	2,187	3,001	347	890	1,023

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare	3,365	4,910	5,441	2,523	4,265	4,767
652 Labor and manpower:						
Department of the Interior	10	10	11	10	7	10
Department of Labor	651	577	589	450	439	467
Other independent agencies:						
Equal Employment Opportunity Commission	3	5	7	3	6	7
Federal Coal Mine Safety Board of Review	*	*	*	*	*	*
Federal Mediation and Conciliation Service	7	7	7	7	7	7
National Labor Relations Board	29	31	32	28	31	32
National Mediation Board	2	2	2	2	2	2
President's Advisory Committee on Labor Management Policy	*			*	*	
Temporary study commissions				*	*	
Total 652	702	632	649	500	493	526
653 Public assistance (excluding medical care for the aged):						
Department of Health, Education, and Welfare	2,870	2,986	3,116	2,797	2,942	3,036
655 Economic opportunity programs:						
Funds appropriated to the President	1,434	1,612	2,060	1,018	1,580	1,860
659 Other welfare services:						
Funds appropriated to the President	120	30	15	132	82	35
Department of Agriculture	405	457	543	363	455	540
Department of Health, Education, and Welfare	362	468	535	224	555	521
Other independent agencies: Railroad Retirement Board	17	17	18	17	17	18
Total 659	903	973	1,110	736	1,109	1,114
Total, health, labor, and welfare	9,274	11,113	12,377	7,574	10,389	11,304
700 EDUCATION						
701 Assistance for elementary and secondary education:						
Department of Health, Education, and Welfare	1,790	1,969	2,267	1,368	1,827	2,000
702 Assistance for higher education:						
Department of Health, Education, and Welfare	1,124	1,423	1,260	389	704	887
Department of Housing and Urban Development	300	7	338	312	−253	−1,262
Total 702	1,424	1,430	1,599	701	451	−376

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
703 Assistance to science education and basic research:						
Other independent agencies: National Science Foundation	480	480	526	368	395	455
704 Other aid to education:						
Legislative Branch	26	32	38	25	31	37
Department of Health, Education, and Welfare	455	551	632	237	445	518
Department of the Interior	107	119	129	104	106	125
Other independent agencies:						
National Capital Planning Commission				*	*	
National Foundation on the Arts and the Humanities	6	11	16	1	8	15
Smithsonian Institution	27	32	37	30	41	42
Total 704	621	744	853	397	631	737
Total, education	4,315	4,623	5,245	2,834	3,304	2,816
800 VETERANS BENEFITS AND SERVICES						
801 Veterans service-connected compensation:						
Veterans Administration	2,311	2,394	2,435	2,221	2,298	2,430
802 Veterans non-service-connected pensions:						
Veterans Administration	2,001	2,012	2,042	1,910	1,931	2,037
803 Veterans readjustment benefits:						
Department of Housing and Urban Development				−63	−24	−18
Veterans Administration	43	369	428	−601	535	−24
Total 803	43	369	428	−664	510	−42
804 Veterans hospitals and medical care:						
Veterans Administration	1,358	1,409	1,475	1,318	1,389	1,471
805 Other veterans benefits and services:						
Department of Defense—Civil	14	17	25	15	16	19
Department of Labor				*		
Veterans Administration	291	294	269	221	248	206
Other independent agencies:						
American Battle Monuments Commission	2	2	2	2	2	2
Historical and Memorial Commissions	*	*		*	*	
Total 805	307	314	296	238	266	228
Total, veterans benefits and services	6,019	6,498	6,676	5,023	6,394	6,124

*Less than $500 thousand.

250-000 O—67——11

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
850 INTEREST						
851 Interest on the public debt:						
Treasury Department	12,014	13,400	14,050	12,014	13,400	14,050
852 Interest on refunds of receipts:						
Treasury Department	104	94	88	104	93	87
853 Interest on uninvested funds:						
Treasury Department	14	15	15	14	15	15
Total, interest	12,132	13,509	14,153	12,132	13,508	14,152
900 GENERAL GOVERNMENT						
901 Legislative functions:						
Legislative Branch	158	166	178	159	171	178
902 Judicial functions:						
The Judiciary	83	90	96	79	90	96
Other independent agencies: Indian Claims Commission	*	*	*	*	*	*
Total 902	83	91	97	79	90	96
903 Executive direction and management:						
Executive Office of the President	23	25	28	21	26	27
Funds appropriated to the President	1	1	1	*	1	1
Treasury Department	2	1	1	2	1	1
General Services Administration	*	*	*	*	*	*
Other independent agencies: Federal Radiation Council	*	*	*	*	*	*
Total 903	27	28	30	24	28	30
904 Central fiscal operations:						
Legislative branch	47	50	53	46	50	53
Treasury Department	855	878	890	813	854	882
Other independent agencies:						
Renegotiation Board	3	3	3	2	3	3
Tax Court of the United States	2	2	2	2	2	2
Total 904	907	932	948	864	909	940
905 General property and records management:						
General Services Administration	578	642	550	585	675	691
Other independent agencies: Central Intelligence Agency	------	------	------	*	2	------
Total 905	578	642	550	585	676	691

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
906 Central personnel management:						
Department of Labor	53	61	60	53	60	59
Other independent agencies:						
Civil Service Commission	123	134	137	122	133	137
Temporary study commissions	------	*	------	------	*	*
Total 906	176	196	198	175	194	197
908 Protective services and alien control:						
Department of Justice	382	402	460	366	419	437
Treasury Department	18	21	23	17	21	23
Other independent agencies:						
Administrative Conference of the United States	*	------	*	------	------	*
Civil Service Commission	1	1	------	1	1	*
Commission on Civil Rights	2	2	3	2	3	3
Subversive Activities Control Board	*	*	*	*	*	*
Temporary study commissions	1	1	------	1	1	*
Total 908	404	428	487	385	445	465
910 Other general government:						
Legislative Branch	6	21	6	1	10	2
Funds appropriated to the President	5	------	------	5	*	------
Department of Defense—Civil	55	73	56	48	70	71
Department of the Interior	45	44	56	46	55	55
Treasury Department	95	71	58	91	76	57
Other independent agencies:						
Historical and memorial commissions	*	*	------	*	*	------
Intergovernmental commissions	1	*	1	1	1	*
Temporary study commissions	------	------	------	*	------	------
Total 910	207	209	177	192	211	186
Total, general government	2,540	2,691	2,664	2,464	2,725	2,781
Allowances for:						
Civilian and military pay increase	------	------	1,000	------	------	1,000
Possible shortfall in asset sales	------	------	------	------	------	750
Contingencies	------	150	800	------	100	400
Interfund transactions	------	------	------	−635	−766	−682
Total, administrative budget funds	**126,439**	**139,562**	**143,994**	**106,978**	**126,729**	**135,033**

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS						
050 NATIONAL DEFENSE						
051 Department of Defense—Military:						
Department of Defense—Military:						
Army	15	1	*	1	15	*
Navy	7	7	7	6	7	7
Air Force	*	*	*	*	*	*
Total 051	22	8	7	8	22	7
057 Military assistance:						
Funds appropriated to the President	1,379	2,338	1,697	751	1,115	1,363
058 Atomic Energy:						
Atomic Energy Commission	1	1	*	1	1	*
059 Defense-related activities:						
Treasury Department	*	-------	-------	*	-------	-------
Total, national defense	1,402	2,346	1,705	760	1,138	1,370
150 INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Department of Justice	-------	-------	-------	153	3	63
Department of State	*	*	*	*	*	*
Treasury Department	2	2	7	3	7	9
Foreign Claims Settlement Commission	142	-------	26	5	91	147
Total 151	145	2	32	161	101	218
152 Economic and financial assistance:						
Funds appropriated to the President	3	3	3	3	3	3
Department of State	*	1	1	*	1	1
Department of Transportation	10	9	9	7	5	6
Total 152	13	12	13	10	9	10
153 Foreign information and exchange activities:						
Department of State	*	*	*	*	*	*
United States Information Agency	*	*	*	*	*	*
Total, international affairs and finance	158	14	45	171	111	229
250 SPACE RESEARCH AND TECHNOLOGY						
251 Space research and technology:						
National Aeronautics and Space Administration	*	1	2	1	*	2
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income stabilization:						
Department of Agriculture	-------	-------	-------	-------	*	-------

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS—Continued						
352 Financing farming and rural housing:						
Department of Agriculture	-------	-------	-------	3	−2	−1
Department of Housing and Urban Development	-------	-------	-------	-------	−52	−104
Farm Credit Administration	-------	-------	-------	1,119	1,404	1,297
Total 352	-------	-------	-------	1,122	1,351	1,192
354 Agricultural land and water resources:						
Department of Agriculture	1	1	1	1	1	1
355 Research and other agricultural services:						
Department of Agriculture	29	30	31	28	31	31
Total, agriculture and agricultural resources	30	31	32	1,151	1,382	1,224
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Defense—Civil	26	16	25	23	25	26
Department of the Interior	2	9	10	3	4	8
Total 401	28	25	34	26	29	34
402 Forest resources:						
Department of Agriculture	31	30	31	25	26	31
403 Mineral resources:						
Department of the Interior	2	2	2	1	2	2
404 Fish and wildlife resources:						
Department of the Interior	2	2	2	2	2	2
405 Recreational resources:						
Department of the Interior	1	8	13	1	9	12
409 General resource surveys and administration:						
Department of the Interior	83	110	107	90	78	68
Total, natural resources	146	176	188	145	145	148
500 COMMERCE AND TRANSPORTATION						
502 Water transportation:						
Department of Commerce	48	32	40	5	36	35
Department of Transportation	*	*	*	*	*	*
Total 502	48	32	40	5	36	35
503 Ground transportation:						
Department of Transportation	4,051	4,450	5,781	3,967	3,938	4,072

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS—Continued						
506 Advancement of business:						
Department of Commerce	8	7	6	7	8	6
Department of Housing and Urban Development					−30	−121
Federal Deposit Insurance Corporation				−227	−230	−256
Total 506	8	7	6	−220	−252	−370
507 Area and regional development:						
Intergovernmental commissions	*	*	1	*	*	1
508 Regulation of business:						
Federal Communications Commission				*		
Total, commerce and transportation	4,107	4,490	5,829	3,751	3,722	3,738
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aids to private housing:						
Department of Housing and Urban Development	265	4,050	214	1,478	1,389	749
Federal Home Loan Bank Board				1,293	1,050	−400
Total 551	265	4,050	214	2,771	2,439	349
553 Urban Renewal and Community Facilities:						
Department of Housing and Urban Development					−1	−3
555 National Capital Region:						
National Capital Housing Authority				1	*	*
National Capital Planning Commission	*	*		*	*	
District of Columbia	439	517	623	430	561	635
Total 555	439	517	623	431	562	635
Total, housing and community development	704	4,567	837	3,202	2,999	981
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare	916	4,329	5,066	65	3,526	4,172
652 Labor and manpower:						
Department of Labor	537	562	592	498	549	583
653 Public assistance (excluding medical care for the aged):						
Department of Health, Education, and Welfare			*			

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS—Continued						
654 Retirement and social insurance:						
The Judiciary	1	1	1	*	1	1
Department of Health, Education, and Welfare	20,077	25,350	26,806	20,706	21,926	26,832
Department of Labor	3,588	3,584	3,643	2,189	2,106	1,951
Department of State	11	11	11	9	12	13
Civil Service Commission	2,823	2,989	3,058	1,670	1,992	2,050
Railroad Retirement Board	1,405	1,592	1,613	1,246	1,366	1,511
Total 654	27,905	33,528	35,132	25,821	27,402	32,356
655 Economic opportunity programs:						
Funds appropriated to the President	*	*	*	*	*	*
659 Other welfare services:						
Department of Health, Education, and Welfare	------	------	------	*	------	------
Total, health, labor, and welfare	29,358	38,418	40,790	26,384	31,477	37,111
700 EDUCATION						
702 Assistance for higher education:						
Department of Housing and Urban Development	------	------	------	------	−10	−37
703 Assistance to science education and basic research:						
National Science Foundation	*	------	------	------	------	------
704 Other aid to education:						
Legislative Branch	3	2	2	2	2	2
National Foundation on the Arts and the Humanities	*	2	2	*	2	2
Smithsonian Institution	*	2	2	*	2	2
Total 704	3	6	7	2	6	6
Total, education	3	6	7	2	−4	−31
800 VETERANS BENEFITS AND SERVICES						
803 Veterans readjustment benefits:						
Department of Housing and Urban Development	------	------	------	------	−14	−42
805 Other veterans benefits and services:						
Department of Defense—Civil	7	11	8	7	8	10
Veterans Administration	742	752	756	558	776	588
American Battle Monuments Commission	*	*	*	*	*	*
Total 805	749	764	764	565	784	599
Total, veterans benefits and services	749	764	764	565	770	557

*Less than $500 thousand.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
TRUST FUNDS—Continued						
900 GENERAL GOVERNMENT						
904 Central fiscal operations:						
Legislative Branch	*	*	*	*	*	*
Treasury Department	26	28	29	24	32	29
Tax Court of the United States	*	*	*	*	*	*
Total 904	26	28	29	24	32	29
905 General property and records management:						
General Services Administration	*	*	*	*	*	*
906 Central personnel management:						
Department of Labor	*	*	*	*	*	*
908 Protective services and alien control:						
Department of Justice				*	*	
910 Other general government:						
Treasury Department	*	*	*	*	*	*
Historical and memorial commissions					*	
Intergovernmental commissions	*			*	*	
Total 910	*	*	*	*	*	*
Total, general government	27	28	29	24	33	29
Deposit funds				−520	−159	−122
Interfund transactions				−770	−734	−730
Total, trust funds	**36,684**	**50,842**	**50,230**	**34,864**	**40,882**	**44,507**
Intragovernmental and other noncash transactions				−4,026	−6,752	−7,137
Total payments to the public				137,817	160,859	172,403

*Less than $500 thousand.

PART 5

THE FEDERAL PROGRAM BY AGENCY

EXPLANATION OF MEANS OF FINANCING AGENCY ACTIVITIES

TYPES OF FUNDS

Agency activities are financed both through administrative budget funds and through trust funds.

The administrative budget covers Federal (Government-owned) funds which are of four types. The *general* fund is credited with receipts not earmarked by law, and is charged with expenditures payable from such revenues and from general borrowing. *Special* funds account for Federal receipts earmarked for specific purposes, other than carrying out a cycle of operations. *Public enterprise* (revolving) funds finance a cycle of operations in which expenditures generate receipts primarily from the public. *Intragovernmental revolving and management* funds facilitate financing operations within and between Government agencies.

Trust funds are established to account for receipts which are held in a fiduciary capacity by the Government for use in carrying out specific purposes and programs. Within the category of trust funds there is a special subcategory of *trust revolving* funds which carry on a cycle of business-type operations. In association with the trust funds, the budget also includes *deposit* funds, which are not used for Government programs but are essentially suspense or agent accounts and include some transactions of certain Government-sponsored enterprises. The following discussion is not generally pertinent to them.

NEW OBLIGATIONAL AUTHORITY AND OBLIGATIONS

New obligational authority.—Government agencies are permitted to enter into obligations, requiring either immediate or future payment of money, only when they have been granted authority to do so by law. The amounts thus authorized by Congress are called *new obligational authority* (NOA). Such authority is related to the *obligations* expected to be incurred during the year for most accounts. In some cases, especially construction, research, or procurement, NOA is requested and granted to finance the full cost of each project at the time it is started.

New obligational authority usually takes the form of *appropriations* which permit obligations to be incurred and expenditures to be made. Some is in the form of *contract authorizations* which permit obliga-

tions, but require an appropriation "to liquidate" in order to permit expenditures in payment of the obligations. When NOA is made available by Congress for a specific period of time, any part which is not used for obligations during that period expires, and thus cannot be used later. However, *reappropriations* and *reauthorizations* are congressional actions to continue availability of unused balances which would otherwise expire. There are also *authorizations to spend debt receipts;* such NOA permits the use of borrowed money to incur obligations and make expenditures. Authority to use Treasury borrowing is an authorization to spend from *public* debt receipts; authority to borrow directly from private enterprise, granted only to certain Government corporations, is called an authorization to spend from *corporate* debt receipts.

Most new obligational authority of administrative budget funds is granted year by year (*current authorizations*). Under certain laws, some new obligational authority in the administrative budget and most NOA in the trust funds becomes available from time to time without further action by Congress (*permanent authorizations*).

The amount of new obligational authority is usually named specifically in the act of Congress which makes it available (*definite authorizations*). In a few cases the amount is left indefinite to be determined by subsequent circumstances (*indefinite authorizations*); an example is the appropriation for interest on the public debt.

Most appropriations for current operations are made available for obligation only within the year (*1-year appropriations*). Some are for a specified longer period (*multiple-year appropriations*). Some, including most of those for construction, some for research, and nearly all trust fund appropriations are made available by Congress until expended (*no-year appropriations*), and remain available for obligation until the objectives have been completed.

Obligations incurred.—Following the enactment of NOA, obligations are incurred by Government agencies. Such obligations include the currently accruing liabilities for salaries and wages, certain contractual services, and interest; entering into contracts for equipment, construction, and land; approval of agreements to make loans; and other commitments requiring the payment of money.

Obligations incurred, net.—Obligations incurred are summarized herein on a net basis; that is, total obligations incurred less recoveries of prior obligations, receipts of revolving and management funds, and reimbursements to appropriations.

EXPENDITURES AND BALANCES

Expenditures.—Obligations are liquidated by the issuance of checks, disbursement of cash, the maturing of interest coupons in the case of some bonds, and, in a few special cases, by issuance of bonds or notes

(or increases in the redemption value of bonds outstanding) in lieu of checks. Retirement of debt and purchase of the Government's own securities are not counted as expenditures (or as obligations incurred).

Expenditures during any fiscal year may be payments of obligations incurred in prior years or in the same year. The expenditures therefore flow in part from balances of prior year NOA and in part from NOA provided for the year in which the money is spent.

For three types of funds—public enterprise, intragovernmental, and trust revolving funds—expenditures are stated net of *receipts*. Some incidental sums received are accounted for as *reimbursements* to appropriations, and also netted against expenditures. If receipts exceed expenditures the difference shows as a minus entry in the expenditure tables. Moneys received from the issuance of debt instruments or the sale of the Government's own securities are not counted as receipts or netted against expenditures.

Expenditures of the individual accounts and funds include various payments which are credited to receipt accounts. For example, a number of public enterprise funds pay, to the general fund, interest on the capital they have received from the Government. Interfund transactions of this type within the administrative budget are deducted at the end of the expenditure tables (and identical deductions are made at the end of the receipt tables). Similar interfund deductions are made in the trust fund tables for those payments made by one trust fund to another.

Balances.—Not all of the obligational authority enacted for a fiscal year is paid out in the same year. In the case of salaries and wages, only 1 to 3 weeks elapse between the time of obligation and the time of expenditure. On the other hand, in the case of major procurement and construction, up to several years may elapse. Amounts which have been obligated are always carried forward until the subsequent expenditure in payment of such obligations is made.

In addition to the *obligated balances, unobligated balances* may also be carried forward in multiple-year or no-year accounts which are still available for obligation. Therefore, a change in the amount of new obligational authority for a given year does not necessarily change either the obligations incurred or the budget expenditures in that same year by an equal amount. A change in new obligational authority in any one year may spread its effect over obligations for 2 or more years and over expenditures for even a longer period.

ESTIMATES FOR 1967 AND 1968

Data for 1967.—Congress has already acted on appropriations and other new obligational authority for fiscal year 1967, but additional

supplemental amounts are estimated to be required in certain cases. Where the word "enacted" is used in the budget in reference to 1967, as in tables 5 and 6, the amounts represent NOA already voted by Congress (including the amounts likely to be available in the case of appropriations made in an indefinite amount) or the expenditures thereunder, unless otherwise indicated. Where the word "estimate" is used, the amounts include needed supplementals as well as NOA which has been enacted. Certain standard footnotes are used in the following table to distinguish the status of proposed items for 1967 in this part of the budget. NOA is identified for each item, as are expenditures for items other than those for military and civilian (including wage-board) pay increases. Expenditures from pay increase items are identified in the agency totals, but are merged with expenditures from amounts already enacted in the individual lines.

Data for 1968.—This budget is complete as to the estimates for 1968. The budget appendix generally includes the proposed appropriation language for the various items which are identified in the budget. However, in some instances—mainly cases of proposed new legislation—estimates are included in the budget, but formal transmittal of the proposed text of the appropriation language (or other proposal) will be made separately. In certain tables, these items for separate transmittal and expenditures therefrom are identified in separate columns, or by special footnotes, as in the following table. Where there is no separate identification, the estimate for 1968 includes both the amounts proposed herein and the amounts proposed for separate transmittal.

Changes from 1967 to 1968.—The table which follows gives data for 1966, 1967, and 1968, with figures on increases or decreases for 1968 compared with 1967. These changes include certain mandatory cost changes as well as proposals of the President with respect to programs.

Special allowances.—Lump-sum allowances are included in the summary table to cover possible additional supplemental proposals which may be required for 1967 and 1968. The need for such supplementals may arise from requirements not now foreseen for existing programs, or from the enactment of legislation not specifically provided for in the budgets of the agencies concerned. There is also included an allowance (in the expenditure column for 1968) for a possible shortfall in the sales of participation in financial assets, budgeted as deductions from expenditures for the various agencies concerned.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)

This tabulation shows, for each appropriation and fund account, among the administrative budget funds, information on new obligational authority (called NOA herein) and expenditures. Explanatory sentences relate primarily to NOA, and usually to increases or decreases for 1968. Functional code numbers are cross references to the lines in table 14 (pp. 155 to 168) where the figures are summarized. The NOA in this tabulation takes account of certain transfers between appropriations which are set forth in the Budget Appendix. Congressional action in the appropriation process occasionally is in the form of a limitation on the use of a trust fund or other fund, or an appropriation to liquidate contract authorizations; such items which do not involve NOA are also included here in parentheses, but are not added into the totals. NOA items in the administrative budget are current authorizations except where otherwise indicated. A separate section of this tabulation shows similar information on the trust funds. Smaller funds are grouped in that section. Accounts appearing there are permanent authorizations unless otherwise noted.

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH						
SENATE						
General and special funds:						
Compensation of the Vice President and Senators.....901	NOA	3,294	3,297	3,299	.....	(For the Legislative Branch, explanations are shown only for those items for which supporting data submitted to the Bureau of the Budget indicate the reason for a change from the appropriation for the current fiscal year.)
			[c]2			
	Exp.	3,280				
Mileage of President of the Senate and of Senators.....901	NOA	58	58	58	.....	
	Exp.	50				
Expense allowances of the Vice President and majority and minority leaders.....901	NOA	16	16	16	.....	
	Exp.	16				
Salaries, officers and employees.901	NOA	24,397	25,918	26,684	−9	
			[c]775			
	Exp.	22,990				
Office of the Legislative Counsel of the Senate.....901	NOA	315	318	327	.....	
			[c]9			
	Exp.	311				

Contingent expenses of the Senate:					
Senate policy committees...901	NOA	405	408 [c]12	420	----------
	Exp.	298			
Automobiles and maintenance 901	NOA	43	44 [c]1	45	----------
	Exp.	41			
Furniture.....901	NOA	31	31	31	----------
	Exp.	28			
Inquiries and investigations.901	NOA	5,119	5,420 [c]173	5,568	−25
From 1964 and 1965 NOA...	Exp.	122			
From 1966 NOA.....	Exp.	4,999			
Folding documents.....901	NOA	40	41 [c]1	42	----------
	Exp.	35			
Mail transportation.....901	NOA	17	17	17	----------
	Exp.	13			
Miscellaneous items.....901	NOA	3,480	3,743 [c]83	3,856	30
Reappropriation.....	NOA	200	----------		
	Exp.	2,997			
Postage stamps.....901	NOA	91	91	91	----------
	Exp.	88			
Stationery (revolving fund).901	NOA	256	263	263	----------
	Exp.	247			
Communications.....901	NOA	15	15	15	----------
	Exp.	12			

[c] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
SENATE—Continued						
General and special funds—Continued						
Contingent expenses of the Senate—Con.						
Senate procedures.....901	NOA	4	.....	.....	.....	
	Exp.	4				
Payments to estates and widows of deceased Members of the Senate.....901	NOA	30	.....	.....	.....	
	Exp.	30				
Senate restaurant fund.....901	Exp.	−34				
Recording studio revolving fund 901	Exp.	−139				
Total, Senate.....	NOA	37,812	39,680 C1,056	40,732	−4	
	Exp.	35,388	38,211	38,574	363	
HOUSE OF REPRESENTATIVES						
Compensation of Members...901	NOA	14,146	14,149	14,161	12	
	Exp.	14,073				
Mileage of Members and expense allowance of the Speaker...901	NOA	200	200	200	.....	
	Exp.	197				
Salaries, officers and employees 901	NOA	10,970	11,885 C418	12,598	295	
	Exp.	10,480				

Members' clerk hire	901	NOA	29,270	35,000	36,000	1,000
		Exp.	28,927			
Contingent expenses of the House:						
Furniture	901	NOA	140	300	365	65
		Exp.	73			
Miscellaneous items	901	NOA	7,272	7,000	7,000	----------
		Exp.	6,041			
Reporting hearings	901	NOA	223	223	223	----------
		Exp.	202			
Special and select committees	901	NOA	4,600	4,600	4,700	100
		Exp.	4,175			
Office of the Coordinator of Information	901	NOA	140	141	140	−1
		Exp.	137			
Telegraph and telephone	901	NOA	2,880	2,880	4,032	1,152
		Exp.	2,235			
Stationery (revolving fund)	901	NOA	1,046	1,046	1,046	----------
		Exp.	1,058			
Attending physician's office	901	NOA	20	25	40	15
		Exp.	14			
Postage stamps	901	NOA	229	229	229	----------
		Exp.	235			
Revision of laws	901	NOA	28	28	28	----------
		Exp.	26			
Speaker's automobile	901	NOA	13	13	13	----------
		Exp.	12			

[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
HOUSE OF REPRESENTATIVES—Con.						
General and special funds—Continued						
Contingent expenses of the House—Con.						
Majority leader's automobile 901	NOA	13	13	13	----------	
	Exp.	11				
Minority leader's automobile 901	NOA	13	13	13	----------	
	Exp.	12				
New edition of the United States Code 901	NOA	----------	150	----------	−150	
	Exp.	79				
New edition of the District of Columbia Code 901	NOA	----------	100	----------	−100	
	Exp.	46				
Payments to widows and heirs of deceased Members of Congress 901	NOA	150	----------	----------	----------	
	Exp.	150				
Portrait of Hon. John W. McCormack 901	Exp.	2				
House of Representatives restaurant fund 901	Exp.	−49				
Recording studio revolving fund 901	Exp.	−38				

Advances and reimbursements 901	Exp.	−4			
Total, House of Representatives.	NOA	71,352	77,995 [C]418	80,801	2,388
	Exp.	68,095	74,845	77,861	3,016
JOINT ITEMS					
Statements of appropriations..901	NOA	13	13	13	----------
	Exp.	13			
Joint Committee on Reduction of Nonessential Federal Expenditures.....901	NOA	36	36 [C]1	38	1
	Exp.	36			
Joint Economic Committee...901	NOA	369	372 [C]11	383	----------
	Exp.	279			
Joint Committee on Atomic Energy.....901	NOA	355	358 [C]9	367	----------
	Exp.	297			
Joint Committee on Printing..901	NOA	155	156 [C]5	161	----------
	Exp.	133			
Joint Committee on Internal Revenue Taxation.....901	NOA	401	458 [C]23	480	−1
	Exp.	380			
Joint Committee on Immigration and Naturalization Policy..901	NOA	25	25	25	----------
	Exp.	24			
Joint Committee on Defense Production.....901	NOA	82	83	85	2
	Exp.	68			

[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
JOINT ITEMS—Continued						
General and special funds—Continued						
Joint Committee on Inaugural Ceremonies 901	Exp.	1				
Capitol Police:						
General expenses 901	NOA	50	96	75	−21	
	Exp.	53				
Capitol Police Board 901	NOA	809	809	881	72	
	Exp.	501				
Education of pages 901	NOA	86	86	94	8	
	Exp.	86				
Official mail costs 901	NOA	6,512	7,248	11,944	4,696	
	Exp.	6,512				
Total, joint items	NOA	8,892	9,740 [c]49	14,546	4,757	
	Exp.	8,382	9,257	14,053	4,796	
ARCHITECT OF THE CAPITOL						
Salaries 901	NOA	602	648 [c]12	678	18	The 1968 increase results from within-grade salary advancements and other changes under the Classification Act.
	Exp.	584	659	679	20	
Contingent expenses 901	NOA	50	50	50	.....	This item is for unforeseen expenses.
	Exp.	38	55	50	−5	

Capitol buildings and grounds:						
Capitol buildings.....901	NOA	1,680	1,804 [B]17 [C]2	1,666	−157	The decrease is mainly because 1967 included nonrecurring items for remodeling House Press Gallery; improvements to House radio-TV facility; improved accommodations for Senate disbursing office, and improvements to lighting and wiring systems in the Capitol.
	Exp.	1,822	1,920	1,717	−203	
Extension of the Capitol:						
Contract authorization (permanent, indefinite).....901	NOA	300	.....	.....	.....	
Liquidation of contract authorization.....		(300)	.....	.....	.....	
	Exp.	232	316	.....	−316	
Capitol Grounds.....901	NOA	665	695 [B]8	719	16	Increase for 1968 is mainly for 3 additional positions.
	Exp.	784	697	719	22	
Senate Office Buildings.....901	NOA	2,895	2,530 [B]35 [C]21	2,689	103	Increase is mainly for modernization of 1 elevator and for 4 additional positions.
	Exp.	2,603	2,833	2,851	18	
Senate garage.....901	NOA	54	58 [C]1	58	−1	The 1968 estimate provides for maintenance, repairs, personnel, and all other necessary expenses.
	Exp.	51	61	58	−3	
House Office Buildings.....901	NOA	3,807	4,019 [B]60	4,280	201	The 1968 increase results from wage-board and Classification Act changes.
	Exp.	3,511	4,135	4,290	155	
Capitol Power Plant.....901	NOA	2,762	2,778 [B]10	2,832	19	Increase for 1968 results mainly from request for 5 additional positions.
Reappropriation.....	NOA	.....	25			
	Exp.	2,528	2,900	2,833	−67	
Expansion of facilities, Capitol Power Plant:						
Liquidation of contract authorization.....901	Exp.	 750	 694	(250) 876	(250) 183	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
ARCHITECT OF THE CAPITOL—Con.						
General and special funds—Continued						
Acquisition of property, construction and equipment, additional House Office Building:						
Contract authorization (permanent, indefinite) 901	NOA	4,392				
Liquidation of contract authorization.		(12,500)				
	Exp.	10,386	9,958	3,017	−6,941	
Additional office building for the U.S. Senate 901	Exp.		30		−30	
Changes and improvements, Capitol Power Plant 901	Exp.	1	19		−19	
Furniture and furnishings, additional Senate Office Building 901	Exp.	24	40		−40	
Planning for restoration of Old Senate Chamber and Old Supreme Court Chamber in the Capitol 901	Exp.	2	1		−1	
Library buildings and grounds:						
Structural and mechanical care 901	NOA	892	1,392 [B]13 [C]1	1,161	−372	Decrease results mainly from omission in 1968 of nonrecurring items of replacement of book conveyors, annex; replacement of 3 passenger elevators in bookstacks, main building; and construction changes in cellar areas, annex.
Reappropriation	NOA	265	127			
	Exp.	2,574	2,327	2,513	186	

Furniture and furnishings..901	NOA	274	325	383	58	Increase is mainly for card catalog cases.
	Exp.	268	352	383	31	
Library of Congress, James Madison Memorial Building.....901	NOA	500	----------	----------	----------	
	Exp.	----------	500	----------	−500	
Total, Architect of the Capitol.	NOA	19,138	14,451 [B]143 [C]37	14,516	−115	
	Exp.	26,158	27,498	19,986	−7,512	
BOTANIC GARDEN						
Salaries and expenses.....901	NOA	473	505 [B]7 [C]2	607	93	Increase is mainly to provide for cleaning, refinishing, and repairing metal doors and windows, main conservatory, and replacements and improvements to electrical systems.
	Exp.	496	516	608	92	
Relocation of greenhouses.....901	Exp.	2	2	----------	−2	
Total, Botanic Garden.....	NOA	473	505 [B]7 [C]2	607	93	
	Exp.	497	518	608	90	
LIBRARY OF CONGRESS						
Salaries and expenses.....704	NOA	11,995	13,753 [C]334	16,583	2,496	Includes funding for activities previously carried under Preservation of motion pictures and Books for the general collection and provides for increased activity in organization of the collections, and in reader and reference services.
	Exp.	11,795	13,630	16,045	2,415	
Copyright Office: Salaries and expenses.....704	NOA	2,072	2,266 [C]66	2,471	139	Provides for workload increases in most of the activities of the office.
	Exp.	2,039	2,303	2,466	163	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
LIBRARY OF CONGRESS—Continued						
General and special funds—Continued						
Legislative Reference Service: Salaries and expenses.....704	NOA	2,586	2,938 C80	3,428	410	Continues to provide research and analysis, preparation of indexes and digests, and other reader and reference services.
	Exp.	2,542	2,997	3,412	415	
Distribution of catalog cards: Salaries and expenses.....704	NOA	4,100	4,564 C85	5,848	1,199	Continued increase in sales activity is expected. Costs are generally recovered from sales income.
	Exp.	4,157	4,591	5,607	1,016	
Books for the general collection 704	NOA	780	800	590	−210	Excludes $210,000 for activities transferred to Salaries and expenses, Library of Congress.
	Exp.	735	842	590	−252	
Books for the law library.....704	NOA	125	125	125	.....	Objective will be to continue to improve the Library's coverage of law materials.
	Exp.	116	160	125	−35	
Books for the blind and physically handicapped: Salaries and expenses.....704	NOA	2,682	4,594 C10	6,085	1,481	Includes funds for implementation of Public Law 89-522, establishing a national program to provide reading material for the blind and physically handicapped.
	Exp.	2,228	4,303	5,654	1,351	
Organizing and microfilming the papers of the Presidents: Salaries and expenses.....704	NOA	113	113	113	.....	Estimate provides for continuation of program to arrange, index, and microfilm presidential papers in the Library's collections.
	Exp.	121	117	113	−4	
Preservation of motion pictures: Salaries and expenses.....704	NOA	50	50	.....	−50	Activities previously carried on under this title have been transferred to Salaries and expenses, Library of Congress.
	Exp.	93	91	.....	−91	
Collection and distribution of Library materials (special foreign currency program).....704	NOA	1,848	2,268 C5	2,859	586	Program utilizes excess foreign currencies to acquire and distribute foreign library materials.
	Exp.	1,468	2,272	2,859	587	

Indexing and microfilming the Russian Orthodox Greek Catholic Church records in Alaska 704	Exp.	----------	10	----------	−10	
Oliver Wendell Holmes devise fund (permanent, indefinite, special fund) 704	NOA	11	8	7	−1	Principal and interest on the fund will be used primarily to continue preparation of the history of the Supreme Court.
	Exp.	18	34	34	----------	
Intragovernmental funds:						
Advances and reimbursements 704	Exp.	−126	----------	----------	----------	
Total, Library of Congress	NOA	**26,362**	**31,479** [C]580	**38,109**	**6,050**	
	Exp.	25,187	31,350	36,906	5,556	
GOVERNMENT PRINTING OFFICE						
General and special funds:						
Printing and binding 901	NOA	**20,500**	**21,500**	**26,700**	**5,200**	Appropriation covers all printing, binding, and distribution for the Congress, or as otherwise authorized by law.
	Exp.	20,606	21,000	27,000	6,000	
Office of Superintendent of Documents: Salaries and expenses 910	NOA	**5,829**	**6,156** [C]94	**6,366**	**116**	Estimate covers costs of sales functions, depositary library distribution, distribution for other agencies and Congress, and cataloging.
	Exp.	5,786	6,282	6,416	134	
Selection of site and general plans and designs of buildings 910	Exp.	96	40	----------	−40	
Intragovernmental funds:						
Government Printing Office revolving fund 910	NOA	----------	**15,000**	----------	**−15,000**	Appropriation in 1967 was to provide additional working capital. Total volume in 1968 is estimated at $199 million.
	Exp.	−4,826	4,125	−4,573	−8,698	
Total, Government Printing Office.	NOA	**26,329**	**42,656** [C]94	**33,066**	**−9,684**	
	Exp.	21,662	31,447	28,843	−2,604	

[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
GENERAL ACCOUNTING OFFICE						
General and special funds:						
Salaries and expenses.....904	NOA	47,022	48,490 [C]1,300	52,900	3,110	Increase is for 75 additional accountants and auditors to extend audit coverage of new Government programs, increased program activity in Southeast Asia, and increased military transportation payments.
	Exp.	46,136	49,792	52,733	2,941	
Total, Legislative Branch....	NOA	237,380	264,996 [B]150 [C]3,536	275,277	6,595	
	Exp.	231,505	259,325 [B]133 [C]3,460	269,471 [B]17 [C]76	6,646	
THE JUDICIARY						
SUPREME COURT OF THE UNITED STATES						
General and special funds:						
Salaries.....902	NOA	1,966	2,000 [C]24	2,124	100	The increase is primarily for 9 additional positions in the offices of the Justices.
	Exp.	1,910	2,008	2,120	112	
Printing and binding Supreme Court reports.....902	NOA	138	138	155	17	Estimate provides for increased cost of printing and binding opinions and reports of the Court.
	Exp.	119	137	155	18	
Miscellaneous expenses.....902	NOA	120	120	120	.....	Estimate allows for expenses as approved by the Chief Justice.
	Exp.	109	118	120	2	

Care of the building and grounds 902	NOA	319	319 [B]3 [C]2	328	4	Estimate covers work of the Architect of the Capitol in the care of the Court facilities.
	Exp.	314	327	327	----------	
Automobile for the Chief Justice 902	NOA	8	9	9	----------	The estimate provides for the purchase, exchange, lease, maintenance, and operation of an automobile for the Chief Justice.
	Exp.	8	9	9	----------	
Books for the Supreme Court 902	NOA	38	38	40	2	Estimate includes an increase in the cost of books and periodicals.
	Exp.	37	38	39	1	
Total, Supreme Court of the United States.	NOA	2,590	2,624 [B]3 [C]26	2,776	123	
	Exp.	2,498	2,637	2,770	133	
COURT OF CUSTOMS AND PATENT APPEALS						
Salaries and expenses 902	NOA	455	465 [C]8	483	10	The increase provides for difference between full- and part-year cost of a new position authorized in 1967 and for within-grade salary advancements.
	Exp.	419	489	483	−6	
CUSTOMS COURT						
Salaries and expenses 902	NOA	1,178	1,265 [C]28	1,479	186	Estimate provides for nine additional positions, reclassifications and within-grade salary advancements.
	Exp.	1,121	1,290	1,477	187	
COURT OF CLAIMS						
Salaries and expenses 902	NOA	1,313	1,425 [C]19	1,519	75	Provision has been made for the difference between the full- and part-year cost of 2 additional judgeships created by the Act of May 11, 1966, and the reclassification of commissioners' secretaries.
	Exp.	1,320	1,437	1,517	80	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
THE JUDICIARY—Continued						
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES						
General and special funds—Continued						
Salaries of judges 902	NOA	14,700	15,857 C 12	16,540	671	The estimate provides for differences between full- and part-year cost of new judges appointed pursuant to the Act of March 18, 1966, and for an increase in senior judges.
	Exp.	14,528	15,711	16,526	815	
Salaries of supporting personnel 902	NOA	35,110	37,350 C 1,140	41,217	2,727	Provision has been made for 227 additional positions for the courts of appeals and district courts.
	Exp.	34,219	38,350	41,110	2,760	
Fees and expenses of court appointed counsel 902	NOA	3,000	3,000	3,500	500	The increase is to provide legal counsel for indigent cases under the Criminal Justice Act of 1964.
	Exp.	729	3,271	3,300	29	
Fees of jurors and commissioners 902	NOA	7,165	7,700	8,000	300	To cover an anticipated increase in petit jury trials reflecting the appointment of additional district judges.
	Exp.	7,083	7,660	7,980	320	
Travel and miscellaneous expenses 902	NOA	4,910	6,000	6,249	249	Increase covers expenses in support of new personnel and increases in communications, repairs to equipment, and lawbooks.
	Exp.	4,962	5,885	6,225	340	
Administrative Office of the U.S. Courts 902	NOA	1,831	1,910 C 50	2,574	614	Increase provides for 42 additional positions for administration of legal counsel payments for indigent cases provided under the Criminal Justice Act of 1964; for compiling data on Federal offenders after discharge; and for coping with an increased workload.
	Exp.	1,715	1,953	2,551	598	
Salaries of referees (special fund) 902	NOA	4,314	4,314 C 4	4,514	196	Provision has been made for 6 additional full-time referees, changes in full- and part-time arrangements, and salary adjustments.
	Exp.	4,160	4,306	4,498	192	

Expenses of referees (special fund) 902	NOA	6,550	6,760 [C]170	7,528	598	Increase provides for 60 additional clerical personnel to staff new referees and to cope with increased workloads in existing offices.
	Exp.	6,408	6,875	7,450	575	
Total, courts of appeals, district courts, and other judicial services.	NOA	77,580	82,891 [C]1,376	90,122	5,855	
	Exp.	73,805	84,011	89,640	5,629	
Total, The Judiciary	NOA	83,116	88,670 [B]3 [C]1,457	96,379	6,249	
	Exp.	79,163	88,485 [B]3 [C]1,376	95,806 [C]81	6,023	

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT						
General and special funds:						
Compensation of the President 903	NOA	150	150	150	----------	The President receives a salary of $100 thousand and an expense allowance of $50 thousand annually.
	Exp.	150	150	150	----------	
THE WHITE HOUSE OFFICE						
Salaries and expenses 903	NOA	2,855	2,955	3,009	54	This office provides the President with staff assistance and administrative services.
	Exp.	2,818	2,945	3,004	59	
SPECIAL PROJECTS						
Special projects 903	NOA	1,500	1,500	1,500	----------	The President uses this appropriation for staff assistance on special problems.
	Exp.	818	1,500	1,500	----------	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
EXECUTIVE OFFICE OF THE PRESIDENT—Continued						
EXECUTIVE MANSION						
General and special funds—Continued						
Operating expenses.....903	NOA	694	692	708	16	These funds provide for care, maintenance, and operation of the Executive Mansion.
	Exp.	687	685	700	15	
BUREAU OF THE BUDGET						
Salaries and expenses.....903	NOA	8,104	8,913	9,500	587	The Bureau assists the President in the discharge of his budgetary, management, and other executive responsibilities. Increase reflects staffing for a small field service.
	Exp.	7,900	8,900	9,451	551	
Intragovernmental funds:						
Advances and reimbursements.903	Exp.	−273	342	.....	−342	
Total, Bureau of the Budget.	NOA	8,104	8,913	9,500	587	
	Exp.	7,627	9,242	9,451	209	
COUNCIL OF ECONOMIC ADVISERS						
General and special funds:						
Salaries and expenses.....903	NOA	731	790 C10	858	58	Increase reflects strengthening of Council staff to advise the President on economic programs and policy.
	Exp.	745	795	855	60	
Intragovernmental funds:						
Advances and reimbursements.903	Exp.	−6	1	.....	−1	
Total, Council of Economic Advisers.	NOA	731	790 C10	858	58	
	Exp.	738	796	855	59	

NATIONAL AERONAUTICS AND SPACE COUNCIL						
General and special funds: Salaries and expenses.....903	NOA	525	525	524	−1	The Council advises and assists the President on policies, plans, and programs in aeronautical and space sciences.
	Exp.	490	505	505	.....	
NATIONAL COUNCIL ON MARINE RESOURCES AND ENGINEERING DEVELOPMENT, AND COMMISSION ON MARINE SCIENCE, ENGINEERING, AND RESOURCES						
Salaries and expenses.....903	NOA	.....	1,100	1,330	230	The increase reflects full-year funding for the Council and the Commission.
	Exp.	.....	900	1,400	500	
NATIONAL SECURITY COUNCIL						
Salaries and expenses.....903	NOA	675	664	664	.....	The Council advises the President regarding national security policies.
	Exp.	613	634	654	20	
OFFICE OF EMERGENCY PLANNING						
Salaries and expenses.....903	NOA	4,869	4,670	4,780	110	This Office advises and assists the President in determining policy for and in planning, directing, and coordinating the total nonmilitary defense program.
	Exp.	4,941	4,797	4,750	−47	
Salaries and expenses, telecommunications.....903	NOA	1,228	1,582	2,245	663	The Director of Telecommunications Management advises and assists the President in coordinating telecommunications activities. Increase reflects costs of additional research.
	Exp.	806	1,500	2,000	500	
Civil defense and defense mobilization functions of Federal agencies.....059	NOA	4,451	4,000	.....	−4,000	Funding in 1968 for emergency planning done by other agencies has been included in each agency's appropriation request.
	Exp.	4,401	4,402	750	−3,652	
State and local preparedness..059	Exp.	897	716	167	−549	(Financial assistance for State and local planning will be completed under 1965 appropriation.)

[c] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
EXECUTIVE OFFICE OF THE PRESIDENT—Continued						
OFFICE OF EMERGENCY PLANNING—Continued						
General and special funds—Continued						
Research and development...903	Exp.	16	55	.....	−55	(This activity was transferred to Department of Defense and Public Health Service by Executive order.)
Total, Office of Emergency Planning.	NOA	**10,548**	**10,252**	**7,025**	**−3,227**	
	Exp.	11,061	11,470	7,667	−3,803	
OFFICE OF SCIENCE AND TECHNOLOGY						
Salaries and expenses.....903	NOA	**1,070**	**1,200**	**1,837**	**637**	Increase primarily reflects new emphasis on scientific and technical information systems and energy policy analysis.
	Exp.	948	1,252	1,752	500	
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS						
Salaries and expenses.....903	NOA	**564**	**566**	**566**	.....	This office is responsible for administration of the U.S. trade agreements program, including all trade negotiations under the Trade Expansion Act of 1962.
	Exp.	535	569	566	−3	

MISCELLANEOUS						
Intragovernmental funds:						
Presidential committees.....903	Exp.	−203	195	.....	−195	(Covers 5 presidential committees financed by advances from participating agencies. Three will have expired or been abolished by the end of 1967; the President's Committee on Consumer Interests will be financed through the Department of Labor in 1967 and 1968; and the President's Committee on Equal Opportunity in Housing will continue to receive member contributions.)
Total, Executive Office of the President.	NOA	27,416	29,307 [C]10	27,671	−1,646	
	Exp.	26,282	30,833 [C]10	28,204	−2,639	
FUNDS APPROPRIATED TO THE PRESIDENT						
ALASKA PROGRAMS						
General and special funds:						
Alaska mortgage indemnity grants.....551	NOA	.....	[A]3,250	.....	−3,250	Supplemental for 1967 provides funds for matching grants under the Alaska Omnibus Act to retire or adjust mortgages or other liens on homes destroyed or severely damaged in the March 1964 earthquake.
	Exp.	.....	[A]3,250	.....	−3,250	
Transitional grants to Alaska..910	NOA	5,376	.....	.....	.....	
	Exp.	5,433	7	.....	−7	
Total, Alaska programs.....	NOA	5,376	[A]3,250	.....	−3,250	
	Exp.	5,433	7 [A]3,250	.....	−3,257	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
DISASTER RELIEF						
General and special funds—Continued						
Disaster relief.....659	NOA	120,000	15,000 [A] 15,000	15,000	−15,000	Supplemental in 1967 will finance eligible disaster relief work in States where presidential declarations have been made and will provide funds for disasters that may occur during the remainder of the fiscal year.
	Exp.	132,492	72,000 [A] 10,000	30,000 [A] 5,000	−47,000	
EMERGENCY FUND FOR THE PRESIDENT						
Emergency fund for the President 903	NOA	1,000	1,000	1,000	.....	This appropriation enables the President to provide for emergencies affecting the national interest, security, or defense.
	Exp.	48	1,000	1,000	.....	
EXPANSION OF DEFENSE PRODUCTION						
Public enterprise funds:						
Revolving fund, Defense Production Act.....059	Exp.	−151,995	−92,781	20,838 [A] −52,563	61,056	(Increased expenditures due to lower offsetting sales receipts from minerals and metals inventory. Proposed legislation will cancel interest on Treasury borrowings.)
EXPENSES OF MANAGEMENT IMPROVEMENT						
General and special funds:						
Expenses of management improvement.....903	NOA	250	350	350	.....	This appropriation enables the President to improve management, organization, and operation of the executive branch.
	Exp.	378	378	272	−106	

INTERNATIONAL FINANCIAL INSTITUTIONS						
Asian Development Bank....152	NOA	**140,000**	.....	.....	.....	Funds for 1967 and 1968 contributions to the Bank were appropriated in 1966.
	Exp.	.....	10,000	10,000	.....	
Investment in Inter-American Development Bank.....152	NOA	**455,880**	**250,000**	.....	**−250,000**	Funds appropriated in 1967 provided the last of 3 installments of an increase in the Bank's Fund for Special Operations. The Bank has returned U.S. Treasury notes, and Treasury is issuing special letters of credit for obligations to the Bank.
	Exp.	.....	−75,500	79,500	155,000	
Subscription to the International Development Association...152	NOA	**104,000**	**104,000**	**104,000**	.....	Estimate will provide the last of 3 equal installments comprising the U.S. share of an expansion of IDA resources.
	Exp.	.....	59,000	122,000	63,000	
Subscription to the International Monetary Fund.....152	Exp.	.....	−330,000	.....	330,000	(The Fund is returning a portion of U.S. Treasury notes, and Treasury is issuing special letters of credit for obligations to the Fund.)
Total, international financial institutions.	NOA	**699,880**	**354,000**	**104,000**	**−250,000**	
	Exp.	.....	−336,500	211,500	548,000	
MILITARY ASSISTANCE						
Military assistance.....057	NOA	**723,079**	**727,975**	**[E] 536,000**	**−191,975**	Funds to provide military assistance to Vietnam, Laos, and Thailand and for International Military Headquarters and the U.S. share of NATO construction projects are requested in the Department of Defense budget. Contract authorization results from the exercise of special Presidential authority, pursuant to statute, to incur obligations to the Department of Defense in advance of appropriations.
Contract authorization (permanent, indefinite).	NOA	**300,000**	.....	.....	.....	
Liquidation of contract authorization.		(375,000)	.....	.....	.....	
	Exp.	1,058,083	985,000	800,000	−185,000	
Public enterprise funds:						
Foreign military sales fund..057	NOA	.....	**53,600**	**[E] 60,000**	**6,400**	Long-term credit sales of defense articles and services are estimated at $280 million in 1968, compared with $387 million in 1967. New obligational authority is required to provide needed capital.
	Exp.	−89,948	15,000	.....	−15,000	
Total, military assistance....	NOA	**1,023,079**	**781,575**	**596,000**	**−185,575**	
	Exp.	968,135	1,000,000	800,000	−200,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[E] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
ECONOMIC ASSISTANCE						
General and special funds:						
Technical cooperation and development grants 152	NOA	201,280	200,000 C −115	E 242,815	42,930	Increase reflects expansion of worldwide health, education, and agriculture programs.
	Exp.	224,243	196,000	212,000	16,000	
American schools and hospitals abroad 152	NOA	7,000	10,989	E 13,900	2,911	Increase is largely for third phase of hospital construction for the American University of Beirut.
	Exp.	12,061	11,300	14,000	2,700	
Survey of investment opportunities 152	NOA	----------	----------	E 2,000	2,000	Increase is due to current-year funding from carryover balances.
	Exp.	293	200	200	----------	
International organizations and programs 152	NOA	144,755	140,433	E 140,980	547	Estimate provides for voluntary contributions to selected international agencies and programs.
	Exp.	84,615	115,000	115,000	----------	
Supporting assistance:						
Vietnam 152	NOA	----------	----------	E 550,000	550,000	Vietnam is separately identified in 1968. Estimate provides increased emphasis on improving conditions in rural areas.
	Exp.	----------	----------	520,000	520,000	
General	NOA	682,800	684,980 C −375	E 170,000	−514,605	Small increases are provided in Latin America and in Southeast Asia outside Vietnam; assistance elsewhere declines.
	Exp.	500,356	604,000	160,000	−444,000	
Contingencies:						
General 152	NOA	150,000	35,000	E 31,000	−4,000	Estimate provides for necessary flexibility to meet emergencies and opportunities in the national interest.
	Exp.	101,881	86,000	60,000	−26,000	
Southeast Asia program 152	NOA	89,000	----------	----------	----------	Unforeseen needs in Southeast Asia will be met from the general contingency fund in 1968.
	Exp.	31,855	43,000	10,000	−33,000	

Alliance for Progress: Technical cooperation and development grants 152	NOA	75,000	87,700 C −50	E 100,000	12,350	Increase reflects expansion of manpower development and training, and programs in agriculture and education.
	Exp.	99,070	88,000	88,000	----------	
Social progress trust fund 152	Exp.	68,805	54,636	50,045	−4,591	(The Inter-American Development Bank now has responsibility for this program.)
Administrative expenses:						
Agency for International Development 152	NOA	56,620	60,813 C 1,100	E 59,325	−2,588	Decrease results from funding expanded Vietnam administrative costs from supporting assistance in 1968.
	Exp.	56,727	65,000	65,000	----------	
State 152	NOA	3,142	3,255 C 60	3,400	85	Program level is same as in 1967.
	Exp.	3,830	3,200	3,200	----------	
Subtotal, grants and other programs.	NOA	1,409,597	1,223,170 C 620	1,313,420	89,630	
	Exp.	1,183,736	1,266,336	1,297,445	31,109	
Public enterprise funds:						
Loan and guarantee programs:						
Alliance for Progress: Development loans 152	NOA	435,125	420,300 C −235	E 443,000	22,935	Increase provides for continued U.S. participation in cooperative efforts to meet Latin American development goals.
	Exp.	290,896	450,000	450,000	----------	
Development loans—revolving fund 152	NOA	618,225	500,000 C −385	E 774,000	274,385	Increase finances a reduced 1968 program level. Part of the 1967 program was financed from prior-year funds.
	Exp.	626,756	660,000	650,000	−10,000	
Development Loan Fund (liquidation account) 152	Exp.	50,147	49,745	45,087	−4,658	(The fund ceased existence as a corporate entity in 1962 except for liquidation of loan commitments.)
Foreign investment guarantee fund 152	Exp.	−9,825	−10,833	−12,342	−1,509	(No new obligational authority or expenditures are anticipated.)
Subtotal loan and guarantee programs.	NOA	1,053,350	920,300 C −620	1,217,000	297,320	
	Exp.	957,974	1,148,912	1,132,745	−16,167	

C Proposed for separate transmittal, civilian pay act supplemental.
E To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
ECONOMIC ASSISTANCE—Continued						
Intragovernmental funds:						
Advance acquisition of property—revolving fund 152	Exp.	−1,156	−267	−200	67	(This fund finances the acquisition, renovation, and resale of Government-owned excess property.)
Office of Inspector General, Foreign Assistance, State 152	Exp.	55	19	10	−9	(Advances from other appropriations will finance continued review of foreign assistance activities.)
Subtotal, intragovernmental funds.	Exp.	−1,101	−248	−190	58	
Total, economic assistance	NOA	2,462,947	2,143,470	2,530,420	386,950	
	Exp.	2,140,610	2,415,000	2,430,000	15,000	
OFFICE OF ECONOMIC OPPORTUNITY						
General and special funds:						
Economic opportunity program 655	NOA	1,400,724	1,591,000	[E]2,042,500	451,500	Estimate will enable expansion of rural and urban action programs to combat poverty and will finance a new Head Start followup program and an expanded work-training and special impact program.
	Exp.	988,280	1,553,176	1,838,865	285,689	
Public enterprise funds:						
Economic opportunity loan fund 655	NOA	33,000	21,500	[E]17,500	−4,000	Estimate will provide 13,000 loans to poor farm families and 400 loans to rural cooperatives.
	Exp.	29,565	26,824	21,135	−5,689	
Total, Office of Economic Opportunity.	NOA	1,433,724	1,612,500	2,060,000	447,500	
	Exp.	1,017,846	1,580,000	1,860,000	280,000	

PEACE CORPS						
General and special funds:						
Salaries and expenses.....152	NOA	102,000	109,896	[E] 124,400	14,504	Increase provides for expansion of volunteer and trainee end-of-year strength from 16,225 in 1967 to 19,240 in 1968.
Reappropriation.....	NOA	12,100				
	Exp.	94,378	100,000	112,000	12,000	
PUBLIC WORKS ACCELERATION						
Public works acceleration.....507	Exp.	88,168	37,977	.....	−37,977	(Authorized program is completed. Projects were approved prior to July 1, 1964.)
SOUTHEAST HURRICANE DISASTER						
Southeast hurricane disaster..506	NOA	35,000	9,000	.....	−9,000	Program expired Jan. 1, 1967.
	Exp.	28,498	15,258	.....	−15,258	
MISCELLANEOUS						
Obligations, defense aid, liquidation lend-lease program.....152	Exp.	3	.....	.....	.....	(Account is used only to pay old obligations.)
Translation of publications and scientific cooperation, special foreign currency programs..355	Exp.	215	234	155	−79	(Continuation of this program is provided under the National Science Foundation and the Department of Agriculture.)
Total, miscellaneous.....	Exp.	219	234	155	−79	
Total, funds appropriated to the President.	NOA	5,895,356	5,026,791 [A] 18,250	5,431,170	386,129	
	Exp.	4,324,210	4,792,573 [A] 13,250	5,465,765 [A] −47,563	612,379	

[A] Proposed for separate transmittal, other than pay supplemental.
[E] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE						
AGRICULTURAL RESEARCH SERVICE						
General and special funds:						
Salaries and expenses.....355	NOA	201,572	203,995 [A] 1,000 [B] 498 [C] 1,627	221,735 [A] −1,536	1,079	Supplemental in 1967 will maintain the screwworm barrier zone. Increases are for staffing new research laboratories; strengthening farm, nutrition and consumer use, and marketing research; plant and animal disease and pest control and eradication activities; planning a grassland restoration laboratory; construction of a biosciences laboratory; and facilities for pesticides regulation. Decreases occur in the boll weevil eradication program, and nonrecurring amounts for construction. Anticipated legislation to place certain activities on a self-supporting basis will bring in $1.5 million of receipts.
Permanent.....	NOA	18,100	25,000	15,000		
Reappropriation.....	NOA	2,000	2,000			
	Exp.	195,335	219,579 [A] 800	237,375 [A] −1,336	15,660	
Salaries and expenses (special foreign currency program)....355	NOA	3,000	4,500	15,400	10,900	Increase expands use of excess foreign currencies for market development research and agricultural and forestry research.
	Exp.	6,549	6,831	9,675	2,844	
Miscellaneous expired accounts 355	Exp.	118	565	.....	−565	
Intragovernmental funds:						
Working capital fund, Agricultural Research Center.....355	Exp.	−164	.....	.....	.....	(This fund finances, on a reimbursable basis, central facilities and services amounting to $4.6 million.)
Total, Agricultural Research Service.	NOA	224,672	235,495 [A] 1,000 [B] 498 [C] 1,627	252,135 [A] −1,536	11,979	
	Exp.	201,838	226,975 [A] 800	247,050 [A] −1,336	17,939	

COOPERATIVE STATE RESEARCH SERVICE						
General and special funds:						
Payments and expenses.....355	NOA	55,227	58,740 [C]36	63,113	4,337	Increase is for added payments to State agricultural experiment stations, for expansion of cooperative forestry research, and for Federal administration.
	Exp.	52,364	57,345	64,390	7,045	
EXTENSION SERVICE						
Cooperative extension work, payments and expenses.....355	NOA	89,135	92,824	96,602	3,778	Increase is for payments to the States under the Smith-Lever Act to expand community resources development programs, work with low-income families, youth development, and activities to improve efficiency in agriculture.
	Exp.	89,664	92,824	97,140	4,316	
Intragovernmental funds:						
Advances and reimbursements.355	Exp.	−53	----------	----------	----------	
Total, Extension Service....	NOA	89,135	92,824	96,602	3,778	
	Exp.	89,611	92,824	97,140	4,316	
FARMER COOPERATIVE SERVICE						
General and special funds:						
Salaries and expenses.....355	NOA	1,167	1,175 [C]29	1,404	200	Increase is for expanded research and technical assistance for agricultural cooperatives.
	Exp.	1,135	1,185	1,375	190	
Intragovernmental funds:						
Advances and reimbursements.355	Exp.	5	8	----------	−8	
Total, Farmer Cooperative Service.	NOA	1,167	1,175 [C]29	1,404	200	
	Exp.	1,140	1,193	1,375	182	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
SOIL CONSERVATION SERVICE						
General and special funds:						
Conservation operations.....354	NOA	**108,802**	**109,133**	**113,695**	**4,562**	Estimate provides increased staff assistance for existing and new districts, and for planning by communities.
	Exp.	108,721	112,000	113,600	1,600	
Watershed planning.....401	NOA	**5,853**	**6,127**	**6,297**	.....	Estimate will continue planning assistance to States and local units of government at same level as 1967.
			[C] 170			
Reappropriation.....	NOA	**415**	.....			
	Exp.	6,298	6,592	6,164	−428	
Watershed protection.....401	NOA	**66,331**	**69,951**	**70,051**	**100**	Estimate will start construction on 80 watershed projects, continue construction on 310, complete 65, provide advance assistance to 195, continue land treatment on 70, initiate flood hazard analyses, and increase river basin surveys.
	Exp.	67,550	67,701	71,737	4,036	
Flood prevention.....401	NOA	**25,571**	**25,643**	**25,643**	.....	Estimate will continue operations in the 10 uncompleted watersheds authorized for operations.
	Exp.	28,445	27,418	26,283	−1,135	
Great Plains conservation program.....354	NOA	**16,082**	**18,500**	**14,036**	**−4,464**	Decrease continues program at the same level as 1967 on the basis of projected obligations.
	Exp.	13,591	15,500	17,200	1,700	
Resource conservation and development.....354	NOA	**4,347**	**4,573**	**7,629**	**2,973**	Estimates include funds for planning assistance in 15 new areas and for operations in 34 projects, representing an increase of 8 over the 1967 project operations level.
			[C] 83			
	Exp.	2,068	3,746	6,824	3,078	
Total, Soil Conservation Service.	NOA	**227,400**	**233,927**	**237,351**	**3,171**	
			[C] 253			
	Exp.	226,673	232,957	241,808	8,851	

ECONOMIC RESEARCH SERVICE						
Salaries and expenses.....355	NOA	11,782	12,132 [C] 289	13,646	1,225	Increase is for research on problems of farm income; commodity production, marketing, and pricing; water management; and foreign trade relating to U.S. agricultural exports.
	Exp.	11,045	12,034	13,306	1,272	
STATISTICAL REPORTING SERVICE						
Salaries and expenses.....355	NOA	14,001	13,505 [C] 310	13,864	49	Increase for expanded statistical activities is partially offset by a decrease of $544 thousand for nonrecurring computer programing costs.
	Exp.	13,987	13,841	13,859	18	
Intragovernmental funds:						
Advances and reimbursements..355	Exp.	16	.....	.....	.....	
Total, Statistical Reporting Service.	NOA	14,001	13,505 [C] 310	13,864	49	
	Exp.	14,003	13,841	13,859	18	
CONSUMER AND MARKETING SERVICE						
General and special funds:						
Consumer protective, marketing and regulatory programs...355	NOA	80,054	83,825 [A] 4,661	89,522 [A] −11,526	−10,490	The 1967 supplemental will establish the revolving fund required for the proposed user fee legislation. The decrease reflects proposed legislation to finance certain marketing services on a fee basis and for repeal of certain acts.
	Exp.	76,907	85,509	89,362 [A] −10,800	−6,947	
Packers and Stockyards Act...355	NOA	.....	2,502 [C] 67	2,789	220	Increase is to strengthen enforcement of act on the marketing of livestock, meat, and poultry.
	Exp.	.....	2,555	2,775	220	
Payments to States and possessions.....355	NOA	1,750	1,750	1,750	.....	Estimate provides for matching payments to States for programs to improve marketing.
	Exp.	1,750	1,750	1,750	.....	
Special milk program.....659	NOA	103,000	51,000	.....	.....	Decrease in the direct appropriation results from financing this program entirely by transfer from the permanent appropriation Removal of surplus agricultural commodities.
Permanent.....	NOA	.....	53,000	104,000		
	Exp.	97,004	104,000	104,000	.....	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
CONSUMER AND MARKETING SERVICE—Continued						
General and special funds—Continued						
School lunch program.....659	NOA	157,000	168,605	198,735	30,130	Increase provides for normal growth in the program, $10 million for special assistance to needy schools, $6.5 million for the pilot school breakfast program, $6 million for lunchroom equipment, and $2.3 million for State administrative expenses.
Permanent.....	NOA	45,000	45,000	45,000		
	Exp.	196,658	213,455	242,710	29,255	
Food stamp program.....659	NOA	79,992	109,976	.....	55,499	The expanded program to reach approximately 2.5 million participants will be financed entirely by transfer from the permanent appropriation Removal of surplus agricultural commodities.
Permanent.....	NOA	.....	.....	[E] 195,000		
Reappropriation.....	NOA	20,000	29,525	.....		
	Exp.	69,491	137,600	193,000	55,400	
Perishable Agricultural Commodities Act fund (permanent, indefinite, special fund).....355	NOA	936	927	927	.....	License fees are used to cover the cost of administering the Act.
	Exp.	828	960	966	6	
Removal of surplus agricultural commodities (permanent, indefinite).....351	NOA	332,322	361,040	201,883	−159,157	30% of gross customs receipts is available to finance this and related Federal programs. Decrease results from transfer of funds to finance food stamp and special milk programs.
	Exp.	117,745	145,883	175,000	29,117	
Intragovernmental funds:						
Advances and reimbursements.355	Exp.	3	.....	.....	.....	
Total, Consumer and Marketing Service.	NOA	820,054	907,150 [A] 4,661 [C] 67	839,606 [A] −11,526	−83,798	
	Exp.	560,386	691,712	809,563 [A] −10,800	107,051	

FOREIGN AGRICULTURAL SERVICE						
General and special funds:						
Salaries and expenses 355	NOA	20,752	21,218 [C] 223	22,612	1,171	Increase is for strengthening market development, attaché services, and international trade and export analyses.
Permanent	NOA	3,117	3,117	3,117		
	Exp.	18,597	23,862	26,920	3,058	
Salaries and expenses (special foreign currency program) .. 355	Exp.	1,500	1,000	1,000	.....	(Program is financed from balances of prior year appropriations.)
Total, Foreign Agricultural Service.	NOA	23,869	24,335 [C] 223	25,729	1,171	
	Exp.	20,096	24,862	27,920	3,058	
INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE						
Intragovernmental funds:						
Advances and reimbursements 152	Exp.	−388	.....	.....	.....	(This service provides assistance costing $8.7 million in 1968 to the Agency for International Development on a reimbursable basis.)
COMMODITY EXCHANGE AUTHORITY						
General and special funds:						
Salaries and expenses 355	NOA	1,197	1,398 [C] 36	1,491	57	Increase is for improving techniques for expansion of trade practices investigation program.
	Exp.	1,192	1,426	1,486	60	
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE						
Expenses, Agricultural Stabilization and Conservation Service 351	NOA	126,278	128,558	152,665	24,107	Increase provides for financing a greater portion of administrative costs of programs from appropriated funds rather than from funds transferred from Commodity Credit Corporation.
	Exp.	126,490	128,087	150,757	22,670	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued						
General and special funds—Continued						
Sugar Act program.....351	NOA	95,000	80,000	86,500	6,500	Increase is required to make payments to all eligible producers.
	Exp.	87,685	87,988	90,031	2,043	
Agricultural conservation program:						
Contract authorization.....354	NOA	220,000	220,000	100,000	−120,000	Reduced amount will provide adequate funds to share the cost of high priority conservation practices.
Liquidation of contract authorization.		(220,000)	(220,000)	(220,000)	.....	
	Exp.	209,516	228,108	225,876	−2,232	
Cropland adjustment program.351	NOA	.....	50,000 [A]12,500	90,000	27,500	Increase is primarily for acreage adjustment payments, cost-sharing, and technical assistance under the 1967 program. Supplemental will permit payments which are due in 1967.
	Exp.	5,592	50,000 [A]12,500	90,000	27,500	
Conservation reserve program.351	NOA	146,000	140,000 [A]750	125,000	−15,750	Requirements for annual rental payments to producers will decrease in 1968 with contracts expiring on about 2.2 million acres in 1967. Supplemental will permit payments which are due in 1967.
	Exp.	150,993	140,504 [A]750	125,000	−16,254	
Emergency conservation measures.....354	NOA	24,000	5,000	5,000	.....	Payments are for cost-sharing assistance to farmers to rehabilitate lands damaged by natural disasters.
	Exp.	13,190	12,682	12,915	233	
Cropland conversion program.351	NOA	7,500	7,500	.....	−7,500	Decrease results from availability of prior-year funds for carrying out the program in 1968.
	Exp.	1,921	3,225	5,291	2,066	
Appalachian region conservation program.....354	NOA	.....	3,000	[E]3,000	−162	Estimate continues cost-sharing assistance in the conservation and development of the region's soil, water, woodland, wildlife and recreation resources.
Reappropriation.....	NOA	.....	162			
	Exp.	728	6,700	4,357	−2,343	

Indemnity payments to dairy farmers.....355	NOA	**300**	**250**	.....	**−250**	Special appropriation was to pay farmers for milk excluded from markets due to pesticide residues. Authority for making these payments expires June 30, 1967.
	Exp.	214	283	75	−208	
Total, Agricultural Stabilization and Conservation Service.	NOA	**619,078**	**634,470** **[A] 13,250**	**562,165**	**−85,555**	
	Exp.	596,329	657,577 [A] 13,250	704,302	33,475	
COMMODITY CREDIT CORPORATION						
Price Support and Related Programs						
Public enterprise funds:						
Price support and related programs: 351						
Appropriation to liquidate contract authorization.		(219,440)	(809,578)	.....	(−809,578)	
Reimbursement for net realized losses.	NOA	**2,580,560**	**2,746,277**	**1,400,000**	**−1,346,277**	Request for 1968 will restore part of 1966 realized loss from program operations and provide sufficient operating capital for 1968.
	Exp.	1,345,243	1,615,232	1,551,587	−63,645	
Limitation on administrative expenses.		(36,650)	(34,300)	(31,500)	(−2,800)	
Total, price support and related programs.	NOA	**2,580,560**	**2,746,277**	**1,400,000**	**−1,346,277**	
	Exp.	1,345,243	1,615,232	1,551,587	−63,645	
Special Activities						The facilities and funds of the Commodity Credit Corporation are available by law for carrying out the various programs listed. Subsequent recovery of costs incurred is made from special revenues, appropriations, or from other agencies.
Intragovernmental funds:						
Military housing, barter and exchange.....351	Exp.	−2,000	−2,000	−2,000	.....	(Receipts are from Department of Defense for housing constructed in France, using foreign currencies acquired by sale of agricultural commodities.)
National Wool Act (permanent, indefinite).....351	NOA	**22,577**	**38,260**	**39,900**	**1,640**	Increase due mainly to increased payment rates on mohair.
	Exp.	38,178	40,158	44,700	4,542	

[A] Proposed for separate transmittal, other than pay supplemental.
[E] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
COMMODITY CREDIT CORPORATION—Continued						
Special Activities—Continued						
Intragovernmental funds—Continued						
Miscellaneous game bird protection 351	Exp.	−161	−64	.....	64	(Reimbursement from the Department of the Interior is for surplus grain.)
Research to increase domestic consumption of farm commodities 355	Exp.	5,471	7,272	8,055	783	(This program is carried out by the Agricultural Research Service.)
Loans for conservation purposes 354	Exp.	−1,500	100	.....	−100	(Corporation funds may be loaned to the Secretary of Agriculture to carry out the agricultural conservation program.)
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation 351	Exp.	−1,312	1,300	.....	−1,300	(The Corporation is authorized to sell cotton released from the national stockpile. Proceeds, less costs incurred, are deposited in the Treasury as miscellaneous receipts.)
Export credit sales program 351	Exp.	.....	110,000	198,000	88,000	(The Food for Peace Act of 1966 authorized the Corporation to finance the export sale of agricultural commodities including private stocks under its export credit sales program with later reimbursement by appropriation.)
Subtotal	NOA	**22,577**	**38,260**	**39,900**	**1,640**	
	Exp.	38,676	156,766	248,755	91,989	

Increase or decrease (−) in amount owed by general fund for foreign assistance programs.	Exp.	−55,759	35,007	29,559	−5,448	(In 1967, estimate indicates amount owed to Commodity Credit Corporation by foreign assistance and special export programs will be $20,008 thousand. In 1968 it will go up to $49,567 thousand.)
Foreign donations financed by corporation, excluded from expenditures above.	Exp.	190,677	91,028	.....	−91,028	
Total, special activities financed by Commodity Credit Corporation.	NOA	22,577	38,260	39,900	1,640	
	Exp.	173,594	282,801	278,314	−4,487	
Total, Commodity Credit Corporation, price support and related programs and special activities.	NOA	2,603,137	2,784,537	1,439,900	−1,344,637	
	Exp.	1,518,837	1,898,033	1,829,901	−68,132	
FOREIGN ASSISTANCE AND SPECIAL EXPORT PROGRAMS						Expenditures for the following items are expenditures made by the Government (through Commodity Credit Corporation) in each year for the respective programs.
General and special funds:						
Public Law 480:						
Sale of agricultural commodities for foreign currencies.....154	NOA	1,144,000	1,040,000	921,000	−119,000	Decrease is due primarily to lower shipments of corn and grain sorghum partially offset by increased wheat shipments.
	Exp.	1,137,794	984,393	905,975	−78,418	
Sale of agricultural commodities for dollars on credit terms.154	NOA	215,500	377,000	384,500	7,500	Increase is due primarily to higher shipments of wheat.
	Exp.	233,476	315,184	399,006	83,822	
Commodities disposed of and other costs incurred in connection with donations abroad 154	NOA	298,500	200,000	467,000	267,000	Largest increase is due to inclusion of $109.2 million commodity costs for foreign donations under provisions of the Food for Peace Act of 1966. These costs were formerly included in Reimbursement for net realized losses, Commodity Credit Corporation and 1966 and 1967 are adjusted for comparability. Also includes increases of wheat and nonfat dry milk.
	Exp.	413,196	410,458	494,000	83,542	
Total, Public Law 480....	NOA	1,658,000	1,617,000	1,772,500	155,500	
	Exp.	1,784,466	1,710,034	1,798,981	88,946	

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
FOREIGN ASSISTANCE AND SPECIAL EXPORT PROGRAMS—Continued						
General and special funds—Continued						
International Wheat Agreement 351	NOA	27,544	----------	----------	----------	(Costs after July 31, 1965, expiration date of the International Wheat Agreement Act are included in Reimbursement for net realized losses, Commodity Credit Corporation. 1967 reflects proposed transfer of $7.5 million of balances to other accounts for increased pay costs.)
	Exp.	10,187	----------	----------	----------	
Bartered materials for supplemental stockpile 351	NOA	----------	----------	24,000	24,000	Estimate is for 1968 program costs. Expeditures are for value of strategic materials acquired by barter transferred to supplemental stockpile.
	Exp.	25,809	33,000	27,078	−5,922	
Subtotal	NOA	1,685,544	1,617,000	1,796,500	179,500	
	Exp.	1,820,462	1,743,035	1,826,059	83,024	
Increase or decrease (−) in amount owed by general fund to Commodity Credit Corporation.	Exp.	55,759	−35,007	−29,559	5,448	(Expenditures shown above have been made by the Commodity Credit Corporation in advance of appropriations in some years. This adjustment line brings the total of this group to the amounts paid by the appropriations to the Corporation during each year.)
Foreign donations financed by Corporation, included in expenditures above.	Exp.	−190,677	−91,028	----------	91,028	
Total, foreign assistance and special export programs.	NOA	1,685,544	1,617,000	1,796,500	179,500	
	Exp.	1,685,544	1,617,000	1,796,500	179,500	
Total, Commodity Credit Corporation, foreign assistance programs, and special export programs.	NOA	4,288,681	4,401,537	3,236,400	−1,165,137	
	Exp.	3,204,381	3,515,033	3,626,401	111,368	

FEDERAL CROP INSURANCE CORPORATION						
Administrative and operating expenses.....351	NOA	8,192	8,437 [C]246	11,533	2,850	Increase will permit more insurance protection for farmers and will provide for the funding by appropriation of $2.5 million of operating expenses previously paid from premium income.
	Exp.	8,225	8,591	11,484	2,893	
Public enterprise funds:						
Federal Crop Insurance Corporation fund.....351	Exp.	10,496	−6,832	−359	6,473	(Expenditures represent primarily payments for insurance losses offset by premium collections. For 1968, it is estimated that losses will be 90% of premiums, compared with 65% in 1967.)
Limitation on administrative and operating expenses...351		(3,790)	(4,100)	(1,600)	(−2,500)	(Reflects a shift in financing from the Corporation fund to direct appropriation.)
Total, Federal Crop Insurance Corporation.	NOA	8,192	8,437 [C]246	11,533	2,850	
	Exp.	18,721	1,759	11,125	9,366	
RURAL ELECTRIFICATION ADMINISTRATION						
General and special funds:						
Loans (authorization to spend debt receipts).....353	NOA	453,530	492,000	434,600 [A]−399,200	−456,600	The estimate, plus prior year balances, will provide for estimated loan commitments of $390 million for electrification and $125 million for telephone if prompt action is not taken on proposed legislation. Proposed legislation permits loan receipts to be used to reduce expenditures in 1967 and both new obligational authority and expenditures in 1968, and provides for Electric Bank loans of $150 million and Telephone Bank loans of $50 million. This legislation would reduce commitments under the regular program by these same amounts.
	Exp.	360,982	440,000 [A]−193,500	507,500 [A]−201,000	60,000	
Salaries and expenses.....353	NOA	12,202	12,202 [C]204	12,406	.....	Estimate covers administrative expenses of the rural electrification and telephone program.
	Exp.	11,878	12,390	12,374	−16	
Total, Rural Electrification Administration.	NOA	465,732	504,202 [C]204	447,006 [A]−399,200	−456,600	
	Exp.	372,860	452,390 [A]−193,500	519,874 [A]−201,000	59,984	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
FARMERS HOME ADMINISTRATION						
General and special funds—Continued						
Rural water and waste disposal grants 352	NOA	20,000	26,000	30,000	4,000	Increase is for planning and development grants to rural communities under 5,500 population.
	Exp.	96	40,900	30,000	−10,900	
Rural renewal 352	NOA	1,200	1,200	2,000	800	Increase provides for program operations in 5 pilot project areas and technical assistance and loans for new areas.
	Exp.	1,071	1,900	2,000	100	
Rural housing for domestic farm labor 352	NOA	3,000	3,000	4,000	1,000	Increase is for larger program of grant assistance to nonprofit public or private organizations for low-rent housing and related facilities.
	Exp.		6,000	4,000	−2,000	
Rural housing grants 352	Exp.	−2				
Salaries and expenses 352	NOA	49,661	50,988 c554	58,090	6,548	Increase is mainly to provide for administrative costs of increased housing and other real estate loan programs.
	Exp.	47,810	52,600	58,500	5,900	
Public enterprise funds:						
Direct loan account 352	Exp.	−31,352	−417,173	−484,135	−66,962	(Receipts and balances will finance an estimated loan program of $410 million in 1968.)
Rural housing direct loan account 352	NOA	2,500				(Receipts and balances will finance an estimated loan program of $15 million in 1968.)
	Exp.	12,289	−137,503	−162,107	−24,604	
Rural housing insurance fund 352	NOA	100,000				(Receipts, including sales of insured loans, and balances will finance an estimated $490 million loan program in 1968.)
	Exp.	31,408	16,055	−14,465	−30,520	
Emergency credit revolving fund 352	NOA	30,000				(Receipts and balances will finance a loan program of $64 million and administrative expenses of $4.5 million in 1968.)
	Exp.	18,684	−20,263	−3,664	16,599	

Agricultural credit insurance fund (permanent, indefinite, authorization to spend debt receipts) 352	NOA	107,468	----------	----------	----------	(Receipts, including sale of insured loans, and balances will finance a loan program of $475 million in 1968, including $25 million under proposed legislation.)
	Exp.	87,534	−65,678	−7,428	58,250	
Total, Farmers Home Administration.	NOA	313,828	81,188 [C] 554	94,090	12,348	
	Exp.	167,538	−523,162	−577,299	−54,137	
RURAL COMMUNITY DEVELOPMENT SERVICE						
General and special funds:						
Salaries and expenses 355	NOA	637	637 [C] 15	450	−202	Decrease results from transfer of field staff to Farmers Home Administration, partially offset by strengthening of the central office staff.
	Exp.	609	681	460	−221	
Intragovernmental funds:						
Advances and reimbursements 355	Exp.	99	60	----------	−60	
Total, Rural Community Development Service.	NOA	637	637 [C] 15	450	−202	
	Exp.	708	741	460	−281	
OFFICE OF THE INSPECTOR GENERAL						
General and special funds:						
Salaries and expenses 355	NOA	10,613	11,187 [C] 250	12,323	886	Increase provides audit and investigation activities required for expanded Food Stamp program and for Agricultural Stabilization and Conservation Service State and county offices.
	Exp.	10,228	11,128	12,223	1,095	
OFFICE OF THE GENERAL COUNSEL						
Salaries and expenses 355	NOA	4,286	4,323	4,740	417	Increase provides legal services required to accommodate new and expanded Department programs.
	Exp.	4,087	4,312	4,721	409	

[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
OFFICE OF INFORMATION						
General and special funds—Continued						
Salaries and expenses.....355	NOA	1,915	1,851 C31	1,928	46	Increase is for improving departmentwide information services.
	Exp.	1,677	2,052	1,913	−139	
NATIONAL AGRICULTURAL LIBRARY						
Salaries and expenses.....355	NOA	1,735	2,412 C46	2,900	442	Increase is to improve library services to the scientific community and for automation of library systems.
	Exp.	1,635	2,318	2,735	417	
Library facilities.....355	NOA	7,000				
	Exp.	116	2,373	3,780	1,407	
Total, National Agricultural Library.	NOA	8,735	2,412 C46	2,900	442	
	Exp.	1,751	4,691	6,515	1,824	
OFFICE OF MANAGEMENT SERVICES						
Salaries and expenses.....355	NOA	2,542	2,600 C67	2,749	82	Provides central financing of management services for a number of smaller agencies in the Department. Increase is primarily for additional workload.
	Exp.	2,476	2,662	2,732	70	
GENERAL ADMINISTRATION						
Salaries and expenses.....355	NOA	3,928	3,959 C93	4,563	511	The increase provides for planning, evaluation, and programing, additional liaison with State departments of agriculture and for increased costs of the office of hearing examiners.
	Exp.	3,627	4,091	4,563	472	

Intragovernmental funds:						
Working capital fund.....355	Exp.	119	52	94	42	(This fund finances central administrative services, amounting to $8.2 million, from advances and reimbursements.)
Total, general administration.	NOA	**3,928**	**3,959** [C]**93**	**4,563**	**511**	
	Exp.	3,746	4,143	4,657	514	
FOREST SERVICE						
General and special funds:						
Forest protection and utilization 402	NOA	**226,582**	**231,641** [A]**25,000** [C]**3,357**	**244,521**	**−15,477**	Supplemental is for fighting forest fires which is excluded from the 1968 estimate. Increases are for forest land management, forestry research, State and private forestry cooperation, and $2 million for new laboratories at Madison, Wis., and at Albuquerque, N. Mex.
	Exp.	226,368	237,560 [A]21,000	238,000 [A]4,000	−16,560	
Cooperative range improvements (special fund).....402	NOA	**700**	**700**	**700**	.....	These funds are advanced to and merged with the appropriation Forest protection and utilization.
	Exp.	700	700	700	.....	
Forest roads and trails.....402						
Contract authorization:						
Current.....	NOA	.....	**170,000**	.....	.....	Program will construct or reconstruct about 2,139 miles of multipurpose roads.
Permanent.....	NOA	**85,000**	.....	**170,000**		
Liquidation of contract authorization.		(102,136)	(101,230)	(110,500)	(9,270)	
	Exp.	101,009	111,307	110,500	−807	
Access roads.....402	Exp.	632	348	.....	−348	(Prior balances will acquire interest in existing roads or rights-of-way. Future activity will be financed in forest roads and trails.)
Acquisition of lands for national forests:						
Special acts (special fund)..402	NOA	**80**	**80**	**80**	.....	Certain forest receipts otherwise payable to counties in Utah, Nevada, and California are used to acquire lands within national forests.
	Exp.	39	128	80	−48	
Superior National Forest...402	Exp.	515	115	.....	−115	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
FOREST SERVICE—Continued						
General and special funds—Continued						
Acquisition of lands for national forests—Continued						
Uinta National Forest.....402	NOA	.....	**300**	.....	**−300**	(Approximately 10,000 acres of land will be acquired.)
	Exp.	.....	300	.....	−300	
Cache National Forest.....402	Exp.	5	36	.....	−36	
Wasatch National Forest...402	Exp.	40	307	.....	−307	
Assistance to States for tree planting.....402	NOA	**1,000**	**1,000**	**1,000**	.....	Aid is given, mainly through grants, for reforestation work.
	Exp.	865	1,020	1,000	−20	
Timber development organization loans and technical assistance.....402	Exp.	54	200	746	546	(Prior balances will provide for loans and technical assistance to individuals in Appalachian region.)
Expenses, brush disposal (permanent, indefinite, special fund).....402	NOA	**10,196**	**10,200**	**10,300**	**100**	Certain receipts from purchase of timber are applied to disposal of brush on cutover areas.
	Exp.	8,943	9,500	9,600	100	
Roads and trails for States, national forests fund (permanent, indefinite, special fund).....402	NOA	**14,204**	**16,778**	**17,160**	**382**	These funds are transferred to and merged with the appropriation Forest roads and trails.
	Exp.	14,204	16,778	17,160	382	
Other Forest Service permanent appropriations.....402	NOA	**36,249**	**42,691**	**43,651**	**960**	Provides generally for use of a portion of the increased revenues from operations on national forests and national grasslands for payments to States and counties to be used for schools, roads, and trails.
	Exp.	35,972	42,963	43,653	690	

Intragovernmental funds:						
Advances and reimbursements 402	Exp.	−146	300	----------	−300	
Working capital fund, Forest Service 402	Exp.	−3,081	−954	−1,019	−65	(Provides administrative services, amounting to $17.9 million, to national forests, experimental stations, and other Federal agencies on a reimbursable basis.)
Total, Forest Service	NOA	**374,010**	**473,390** **[A] 25,000** **[C] 3,357**	**487,412**	**−14,335**	
	Exp.	386,118	420,608 [A] 21,000	420,420 [A] 4,000	−17,188	
Total, Department of Agriculture.	NOA	**7,570,682**	**7,710,874** **[A] 43,911** **[B] 498** **[C] 7,733**	**6,413,200** **[A] −412,262**	**−1,762,078**	
	Exp.	5,948,580	5,901,242 [A] −158,450 [B] 485 [C] 7,376	6,255,571 [A] −209,136 [B] 13 [C] 357	296,152	

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION						
General and special funds:						
Salaries and expenses 506	NOA	**4,339**	**4,263** **[C] 95**	**4,040**	**−318**	Some functions are being transferred to the Department of Transportation.
	Exp.	4,343	4,358	4,040	−318	
Intragovernmental funds:						
Working capital fund 506	Exp.	11	−69	−9	60	
Advances and reimbursements 506	Exp.	11	----------	----------	----------	
Total, general administration.	NOA	**4,339**	**4,263** **[C] 95**	**4,040**	**−318**	
	Exp.	4,365	4,289	4,031	−258	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
BUSINESS ECONOMICS AND STATISTICS						
Office of Business Economics						
General and special funds:						
Salaries and expenses.....506	NOA	2,550	2,745 C 70	3,180	365	Increase is to put on a quarterly basis 2 annual surveys on industry outputs and personal income by States; to initiate 2 new investment surveys; and for a continuing program of national wealth estimates.
	Exp.	2,634	2,650	2,950	300	
Intragovernmental funds:						
Advances and reimbursements.506	Exp.	9	----------	----------	----------	
Total, Office of Business Economics.	NOA	2,550	2,745 C 70	3,180	365	
	Exp.	2,643	2,650	2,950	300	
Bureau of the Census						
General and special funds:						
Salaries and expenses.....506	NOA	15,718	15,996 C394	17,076	686	Increase is primarily to collect current retail data for certain consumer goods; to collect building permit data; and for a construction price index for single-family homes.
	Exp.	15,680	16,275	17,061	786	
Preparation for 19th decennial census.....506	NOA	2,200	2,750	7,650	4,900	Work will continue toward preparing for the census, which includes establishing a basis for collecting data by mail.
	Exp.	1,340	2,757	8,645	5,888	
1967 economic censuses.....506	NOA	1,150	3,000	7,718	4,718	Data collection will be basically completed and initial processing will begin.
	Exp.	777	2,723	7,565	4,842	

1967 census of governments..506	NOA	200	1,300 C30	1,050	−280	The major portion of data collection and data processing will be completed and some final publications will be issued.
	Exp.	149	1,281	1,077	−204	
Modernization of computing equipment.....506	NOA	.....	1,900	4,000	2,100	Increase is for procurement of a computer in preparation for the upcoming major censuses.
	Exp.	9	1,600	4,200	2,600	
1968 sample household survey..506	NOA	.....	A1,000	20,000	19,000	The 1967 supplemental and 1968 appropriations will finance a special survey to provide up-to-date economic and socia data for the United States, each State, and all metropolitan areas.
	Exp.	.....	A975	11,054 A25	10,104	
1964 census of agriculture....506	NOA	5,110	1,800 C46	.....	−1,846	The final results of the census will be published.
	Exp.	5,414	2,176	373	−1,803	
Registration and voting statistics.....506	NOA	1,192	.....	.....	.....	(Activity substantially completed in prior years.)
	Exp.	509	.....	.....	.....	
1963 censuses of business, transportation, manufactures, and mineral industries.....506	Exp.	2,850	213	.....	−213	(Activity completed in prior years.)
Intragovernmental funds:						
Advances and reimbursements..506	Exp.	−1,108	−1,000	.....	1,000	
Total, Bureau of the Census..	NOA	25,570	26,746 A1,000 C470	57,494	29,278	
	Exp.	25,620	26,025 A975	49,975 A25	23,000	
Total, business economics and statistics.	NOA	28,120	29,491 A1,000 C540	60,674	29,643	
	Exp.	28,263	28,675 A975	52,925 A25	23,300	

A Proposed for separate transmittal, other than pay supplemental.
C Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
ECONOMIC DEVELOPMENT ASSISTANCE						
General and special funds:						
Development facilities 507	NOA			[F] 211,600	211,600	Estimate provides grants and loans to improve employment and income in areas lagging behind the rest of the Nation. Program level is less than appropriated in 1967, but increased assistance will be provided to development centers.
	Exp.			55,750	55,750	
Industrial development loans and guarantees 507	NOA			57,900	57,900	Long-term interest loans and working capital loan guarantees are made to encourage industrial development. Program level in 1968 is approximately the same as 1967, although loans to development centers will increase.
	Exp.			57,900	57,900	
Planning, technical assistance, and research 507	NOA			[G] 32,250	32,250	Estimate provides increased aid to disadvantaged areas, multicounty districts, States, and regions. In addition, operating funds are provided for 6 Regional Action Planning Commissions.
	Exp.			17,000	17,000	
Operations and administration 507	NOA			[H] 22,700	22,700	Estimate includes the total administrative costs of implementing the programs financed by the above 3 appropriations. Increase is due to planning and monitoring of 1966 and 1967 funded projects.
	Exp.			19,890	19,890	
Appalachian development highway system 507	NOA		100,000	100,000		Provides for the construction of development highways, including access roads in Appalachian region.
	Exp.	8,976	42,331	80,900	38,569	
Development facilities grants 507	NOA	203,200	169,827		−169,827	Program at a reduced level is included in Development facilities appropriation.
	Exp.	2,430	22,943	59,346	36,403	

Technical and community assistance 507	NOA	18,121	24,957	----------	−24,957	Program is included in Planning, technical assistance and research appropriation.
	Exp.	5,658	20,000	11,000	−9,000	
Economic development 507	NOA	105,000	84,946	----------	−84,946	Program is included in Industrial development loans and guarantees appropriation and in Development facilities appropriation.
	Exp.	46,608	60,200	65,000	4,800	
Economic development center assistance 507	NOA	----------	10,000	----------	−10,000	Program is included in Development facilities and Industrial development loans and guarantees appropriations.
	Exp.	----------	600	6,200	5,600	
Regional economic planning 507	NOA	6,100	6,086	----------	−6,086	Program is included in Planning, technical assistance, and research appropriation.
	Exp.	731	5,500	1,398	−4,102	
Grants for local development districts and for research and demonstration 507	NOA	----------	2,750	----------	−2,750	Program is included in Planning, technical assistance, and research appropriation.
	Exp.	1,207	2,370	1,054	−1,316	
Supplemental grants-in-aid 507	NOA	----------	29,993	----------	−29,993	Program is included in Development facilities appropriation.
	Exp.	553	22,000	21,750	−250	
Miscellaneous expired accounts 507	Exp.	8,775	1,587	433	−1,154	(Expenditures result from prior year obligations of the Area Redevelopment Administration.)
Public enterprise funds:						
Economic development revolving fund 507	Exp.	−7,949	−10,200	−75,721	−65,521	(Account pays interest costs on loans outstanding to Treasury and protection of loan collateral. Negative expenditure results from collections and interest on loans outstanding and the advancing of funds to this account from appropriations for Development facilities and Industrial development loans and guarantees.)
Total, economic development assistance.	NOA	332,421	428,559	424,450	−4,109	
	Exp.	66,989	167,331	321,900	154,569	

F Includes $29,844 thousand to carry out authorizing legislation to be proposed.
G Includes $2,800 thousand to carry out authorizing legislation to be proposed.
H Includes $356 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
PROMOTION OF INDUSTRY AND COMMERCE						
Business and Defense Services Administration						
General and special funds:						
Salaries and expenses.....506	NOA	5,325	5,500 A100 C138	6,350	612	Supplemental is to implement new legislation which permits in certain cases duty-free imports of scientific equipment and apparatus. Increases are for this new program and for additional market reports and commodity and industry analyses.
	Exp.	5,176	5,550 A95	6,225 A5	585	
Defense production and industrial readiness.....506	NOA	.....	.....	1,958	1,958	This activity was formerly financed by the Office of Emergency Planning.
	Exp.	.....	.....	1,898	1,898	
Total, Business and Defense Services Administration.	NOA	5,325	5,500 A100 C138	8,308	2,570	
	Exp.	5,176	5,550 A95	8,123 A5	2,483	
International Activities						
Salaries and expenses.....506	NOA	10,910	11,250 C140	12,387	997	Increase will provide for additional commercial exhibitions, a new sample display service, and a trade development and service center overseas.
	Exp.	10,505	11,300	12,500	1,200	
Salaries and expenses (special foreign currency program)....506	NOA	200	200	200	.....	Program uses excess foreign currencies in developing countries to display American products at commercial trade fairs.
	Exp.	67	200	200	.....	

Export control 508	NOA	4,775	5,050 [C]86	5,263	127	Estimate provides for continued regulation of strategic commodities and for surveillance over export shipments (by the Bureau of Customs).
	Exp.	4,563	5,050	5,250	200	
Total, international activities	NOA	15,885	16,500 [C]226	17,850	1,124	
	Exp.	15,135	16,550	17,950	1,400	
Office of Field Services						
Salaries and expenses 506	NOA	4,290	4,450 [C]36	4,800	314	Increase is for additional staff to disseminate information on and assist businessmen in taking advantage of foreign trade and domestic business opportunities.
	Exp.	4,184	4,450	4,700	250	
Participation in U.S. Expositions						
1967 Alaska Centennial 506	NOA	4,600	----------	----------	----------	The United States is participating with the State of Alaska in the 1967 statewide celebration of the Centennial of the Alaska purchase.
	Exp.	----------	3,896	704	−3,192	
HemisFair 1968 Exposition 506	NOA	125	6,750	----------	−6,750	This international exposition will run for 6 months and is scheduled to open in 1968 at San Antonio, Tex. Funds have been provided for a Federal exhibit.
	Exp.	54	1,145	2,417	1,272	
Inter-American Cultural and Trade Center 506	NOA	160	5,866	----------	−5,866	This permanent exposition is scheduled to open in 1968 at Miami, Fla. Funds have been provided for the Federal exhibit.
	Exp.	2	1,533	1,875	342	
Participation in New York World's Fair 506	Exp.	922	34	----------	−34	(Fair closed in 1965. Expenditures are for settlement of outstanding claims.)
Participation in Century 21 Exposition 506	Exp.	14	36	----------	−36	(Activity completed in 1962. Expenditures are for settlement of outstanding claims.)
Total, participation in U.S. expositions.	NOA	4,885	12,616	----------	−12,616	
	Exp.	992	6,644	4,996	−1,648	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
PROMOTION OF INDUSTRY AND COMMERCE—Continued						
U.S. Travel Service						
General and special funds—Continued						
Salaries and expenses.....506	NOA	3,000	3,000	4,700	1,700	Increase is for promotional activities and market research to encourage overseas residents to visit the United States.
	Exp.	3,101	2,750	3,850	1,100	
Total, promotion of industry and commerce.	NOA	33,385	42,066 [A]100 [C]400	35,658	−6,908	
	Exp.	28,588	35,944 [A]95	39,619 [A]5	3,585	
SCIENCE AND TECHNOLOGY						
Environmental Science Services Administration						
Salaries and expenses.....506	NOA	.....	99,173 [B]36 [C]3,050 [D]54	112,754	10,441	The increase provides for improved severe weather warning services, oceanographic services, and world weather programs.
	Exp.	.....	97,000	108,000	11,000	
Research and development...506	NOA	.....	20,234 [C]236	29,829	9,359	Estimate provides for increased research on severe weather and earthquake predictions, air-sea interaction, telecommunications, and satellite sensors.
	Exp.	.....	15,500	23,000	7,500	

Research and development (special foreign currency program) 506	NOA	500	500	750	250	Excess foreign currencies will be used for atmospheric and oceanographic studies.
	Exp.	262	500	600	100	
Facilities, equipment, and construction 506	NOA	----------	6,000	6,117	117	Provides for construction related to meteorological and oceanographic facilities and for the modernization of equipment and automation of a ship.
	Exp.	----------	12,000	10,000	−2,000	
Satellite operations 506	NOA	25,048	26,984	32,200	5,216	Increase provides for improved operational satellite system to observe meteorological conditions.
	Exp.	26,597	24,280	37,260	12,980	
Total, Environmental Science Services Administration.	NOA	25,548	152,891 [B]36 [C]3,286 [D]54	181,650	25,383	
	Exp.	26,859	149,280	178,860	29,580	
Coast and Geodetic Survey						
Salaries and expenses 506	NOA	29,683	----------	----------	----------	The former Weather Bureau, Coast and Geodetic Survey, and the Central Radio Propagation Laboratory (formerly of the National Bureau of Standards) have been consolidated into the new Environmental Science Services Administration.
	Exp.	31,040	----------	----------	----------	
Construction of surveying ships 506	NOA	1,687	----------	----------	----------	
	Exp.	10,941	----------	----------	----------	
Construction and equipment 506	NOA	770	----------	----------	----------	
	Exp.	772	----------	----------	----------	
Total, Coast and Geodetic Survey.	NOA	32,140	----------	----------	----------	
	Exp.	42,752	----------	----------	----------	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

250-000 O—67——15

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
SCIENCE AND TECHNOLOGY—Con.						
Weather Bureau						
General and special funds—Continued						
Salaries and expenses.....506	NOA	70,194	.....	.....	.....	
	Exp.	68,467	.....	.....	.....	
Research and development...506	NOA	11,624	.....	.....	.....	
	Exp.	9,734	.....	.....	.....	
Establishment of meteorological facilities.....506	NOA	1,500	.....	.....	.....	
	Exp.	4,030	.....	.....	.....	
Total, Weather Bureau.....	NOA	83,318	.....	.....	.....	
	Exp.	82,231	.....	.....	.....	
Patent Office						
Salaries and expenses.....506	NOA	34,400	35,497 [A]900 [C]575	39,675	2,703	The supplemental in 1967 is for additional printing costs and increase volume of patent issuances. Increase provides for additional patent examiners to decrease backlog of pending patent applications and for expanded modernization measures for the patent examination system. Disposals for 1968 are estimated at 103,000 as compared to 96,000 in 1967.
	Exp.	33,827	34,658 [A]825	38,425 [A]75	3,017	

Intragovernmental funds:						
Advances and reimbursements 506	Exp.	−17	17		−17	
Total, Patent Office	NOA	**34,400**	**35,497** **[A] 900** **[C] 575**	**39,675**	**2,703**	
	Exp.	33,810	34,675 [A] 825	38,425 [A] 75	3,000	
National Bureau of Standards						
General and special funds:						
Research and technical services 506	NOA	**34,243**	**30,500** **[A] 134** **[C] 470**	**38,315**	**7,211**	Supplemental in 1967 is for carrying out duties under the Fair Packaging and Labeling Act. The increase will strengthen research in computer standards, physical measurement systems, and research on materials.
	Exp.	38,422	29,582 [A] 100	36,665 [A] 34	7,017	
Research and technical services (special foreign currency program) 506	NOA	**500**	**500**	**500**		Research grants will be made using excess foreign currencies to supplement domestic research, principally to augment efforts to develop standard reference data, reference materials and technological standards.
	Exp.	965	418	628	210	
Plant and facilities 506	NOA	**880**	**550**	**1,470**	**920**	The increase will fund building design, general construction, and acquisition of large equipment items.
	Exp.	2,394	3,299	2,429	−870	
Construction of facilities 506	NOA		**1,200**		**−1,200**	(The 1967 budget provided for the final increment of the Gaithersburg construction program.)
	Exp.	18,299	6,133	6,970	837	
Civilian industrial technology 506	Exp.	361	430	200	−230	(Contract and grant programs, chiefly in textile research, are being completed.)
Salaries and expenses, Office of Technical Services 506	Exp.	384				(This activity was previously transferred to Research and technical services.)

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
SCIENCE AND TECHNOLOGY—Con.						
National Bureau of Standards—Continued						
Intragovernmental funds:						
Working capital fund.....506	Exp.	−5,884	38	1,074	1,036	(Estimated Government equity in the fund will be $172.1 million by June 30, 1968.)
Total, National Bureau of Standards.	NOA	35,623	32,750 [A]134 [C]470	40,285	6,931	
	Exp.	54,941	39,900 [A]100	47,966 [A]34	8,000	
Office of State Technical Services						
General and special funds:						
Grants and expenses.....506	NOA	3,500	5,498	11,000	5,502	The increase provides for an expanded program of making findings of science available to private enterprise.
	Exp.	1,461	4,000	8,000	4,000	
Total, science and technology.	NOA	214,529	226,636 [A]1,034 [B]36 [C]4,331 [D]54	272,610	40,519	
	Exp.	242,054	227,855 [A]925	273,251 [A]109	44,580	

OCEAN SHIPPING

Maritime Administration

Ship construction 502	NOA	132,150	106,685	143,000	36,315	Estimate continues program of 13 new ships. New obligational authority increase results from using prior year balances in 1967.
	Exp.	78,080	72,000	80,000	8,000	
Operating-differential subsidies:						
Contract authorization (permanent, indefinite) 502	NOA	174,146	191,200	190,000	−1,200	Voyages undertaken under subsidy contract and estimated at 1,643 in 1968, a decrease of 6 voyages from 1967.
Liquidation of contract authorization.		(180,000)	(175,000)	(200,000)	(25,000)	
	Exp.	186,628	175,824	200,000	24,176	
Research and development 502	NOA	6,500	7,500	7,625	125	Estimate will provide increased research to improve efficiency of U.S. merchant marine.
	Exp.	8,427	8,704	8,412	−292	
Salaries and expenses 502	NOA	15,833	15,790 [C] −89	15,947	246	Programs for administration, reserve fleet, and warehouses will continue at approximately the 1967 level.
	Exp.	14,504	15,600	15,800	200	
Maritime training 502	NOA	3,988	4,470 [C] 89	4,620	61	Program will continue at approximately the 1967 level.
	Exp.	3,951	5,004	5,100	96	
State marine schools 502	NOA	360	360	500	140	Estimate provides increases for repairs of federally provided training ships.
Contract authorization (permanent, indefinite).	NOA	1,270	1,275	1,275	----------	
Liquidation of contract authorization.		(1,240)	(1,275)	(1,275)	----------	
	Exp.	1,838	1,628	1,700	72	
Public enterprise funds:						
Federal ship mortgage insurance fund (permanent indefinite authorization to spend debt receipts) 502	NOA	1,445	----------	----------	----------	(Guarantees involving a contingent liability of $615 million are estimated to be outstanding at the close of 1968.)
	Exp.	1,554	−5,215	−5,826	−611	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
OCEAN SHIPPING—Continued						
Maritime Administration—Continued						
Public enterprise funds—Continued						
Vessel operations revolving fund 502	Exp.	3,350	3,548	−56	−3,604	(Fund is substantially self-supporting.)
War risk insurance revolving fund 502	Exp.	−152	−267	−130	137	(Contingent liability in the event of war is estimated at $13 billion.)
Intragovernmental funds:						
Advances and reimbursements 502	Exp.	4,674	3,174	----------	−3,174	
Total, Maritime Administration.	NOA	**335,692**	**327,280**	**362,967**	**35,687**	
	Exp.	302,854	280,000	305,000	25,000	
Total, Department of Commerce.	NOA	**948,486**	**1,058,295** [A]**2,134** [B]**36** [C]**5,366** [D]**54**	**1,160,399**	**94,514**	
	Exp.	673,112	738,909 [A]1,995 [B]33 [C]5,100 [D]52	996,455 [A]139 [B]3 [C]266 [D]2	250,776	

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL (Functional code 051)						
General and special funds:						
Military personnel, Army	NOA	**5,151,263**	**6,168,564** **[I]650,500** **[D]78,500**	**7,870,000**	**972,436**	Increase is partly for 65,800 added personnel by June 30, 1968. Average strength will be 1,482,600 in 1968, compared with 1,368,233 in 1967.
	Exp.	5,028,527	6,152,000 [I]618,000	7,727,500 [I]32,500	990,000	
Military personnel, Navy	NOA	**3,564,300**	**3,647,936** **[I]220,800** **[D]77,700**	**4,065,000**	**118,564**	Increase is partly for 8,894 added personnel by year-end. Average strength will be 752,625 in 1968 compared with 748,938 in 1967.
Contract authorization (permanent, indefinite).	NOA	**22,357**	----------			
	Exp.	3,538,863	3,714,000 [I]216,000	4,045,200 [I]4,800	120,000	
Military personnel, Marine Corps	NOA	**976,900**	**1,183,200** **[I]58,400** **[D]24,300**	**1,402,000**	**136,100**	Increase is partly for 14,290 added personnel by year-end. Average strength will be 295,586 in 1968 compared with 277,545 in 1967.
Contract authorization (permanent, indefinite).	NOA	**1,347**	----------			
	Exp.	954,845	1,199,000 [I]56,000	1,387,600 [I]2,400	135,000	
Military personnel, Air Force	NOA	**4,898,202**	**5,015,800** **[I]403,700** **[D]106,300**	**5,694,000**	**168,200**	Higher pay and support costs more than offset a decline in average strength from 900,136 in 1967 to 892,581 in 1968.
Contract authorization (permanent, indefinite).	NOA	**40,323**	----------			
	Exp.	4,884,721	5,115,000 [I]395,000	5,671,300 [I]8,700	170,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.
[I] Proposed for separate transmittal, Southeast Asia.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
MILITARY PERSONNEL—Continued						
(Functional code 051)—Continued						
General and special funds—Continued						
Reserve personnel, Army	NOA	**229,000**	**288,211** **[1]14,900** **[D]6,200**	**297,200**	**−12,111**	Program provides for a paid drill end strength of 260,000 in both 1967 and 1968, and an expanded high school military training program. Because the backlog of untrained enlistees was eliminated in 1967, a smaller training program will be needed in 1968.
	Exp.	210,744	268,000 [1]12,000	277,100 [1]2,900	----------	
Reserve personnel, Navy	NOA	**109,700**	**112,600** **[D]800**	**116,100**	**2,700**	Program provides for a paid drill end strength of 126,000 in 1967 and 1968, and expanded high school military training and Reserve officer candidate programs.
	Exp.	108,728	113,000	114,000	1,000	
Reserve personnel, Marine Corps	NOA	**36,800**	**36,500** **[D]800**	**38,300**	**1,000**	Program provides for a paid drill end strength of 48,000 in both 1967 and 1968, and increased Reserve officer candidate and high school military training programs.
	Exp.	37,062	35,000	37,000	2,000	
Reserve personnel, Air Force	NOA	**59,900**	**69,700** **[D]1,100**	**67,700**	**−3,100**	Plans are to reduce year-end paid drill strength from 49,850 to 44,800 mostly due to the phase-out of 5 troop carrier groups.
	Exp.	57,091	65,000	62,000	−3,000	
National Guard personnel, Army	NOA	**304,800**	**346,533** **[1]15,280** **[D]8,520**	**345,000**	**−25,333**	Decrease reflects plans to reduce year-end paid drill strength from 418,500 to 400,000 and a smaller enlisted active duty training program because the backlog of untrained men was eliminated in 1967.
	Exp.	265,506	347,275 [1]12,725	332,445 [1]2,555	−25,000	

National Guard personnel, Air Force.	NOA	78,000	82,000 I290 D1,910	85,700	1,500	Program supports year-end strengths of about 82,700 in 1967 and 84,800 in 1968.
	Exp.	76,168	81,725 I275	81,985 I15	----------	
Retired pay, Defense	NOA	1,600,000	1,780,000 D34,000	2,020,000	206,000	Increase reflects an average of 621,736 retired personnel in 1968 compared with 562,548 in 1967.
	Exp.	1,591,097	1,800,000	2,010,000	210,000	
Quarters and dislocation allowances (proposed legislation).	NOA	----------	----------	A24,000	24,000	Legislation will be proposed to liberalize certain quarters and dislocation allowances for personnel without dependents.
	Exp.	----------	----------	A23,000	23,000	
Total, military personnel	NOA	17,072,892	18,731,044 I1,363,870 D340,130	22,001,000 A24,000	1,589,956	
	Exp.	16,753,352	18,890,000 I1,310,000	21,746,130 A23,000 I53,870	1,623,000	
OPERATION AND MAINTENANCE						
(Functional code 051)						
Operation and maintenance, Army	NOA	4,667,382	5,155,432 A29,000 I1,968,000 B17,400 C46,600	7,103,000	−113,432	Supplemental in 1967 is for increased personnel benefits. Increase due to buildup of Army strength and deployments to Vietnam is more than offset by decreases in funding for supply pipeline costs and the relocation of U.S. Forces in Europe.
Contract authorization (permanent, indefinite).	NOA	139,600	----------			
Liquidation of contract authorization.		(54,044)	----------	----------	----------	
	Exp.	4,524,056	5,065,000 A25,000 I1,740,000	6,856,400 A3,600 I190,000	220,000	

A Proposed for separate transmittal, other than pay supplemental.
B Proposed for separate transmittal, wage-board supplemental.
C Proposed for separate transmittal, civilian pay act supplemental.
D Proposed for separate transmittal, military pay act supplemental.
I Proposed for separate transmittal, Southeast Asia.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
OPERATION AND MAINTENANCE—Con.						
(Functional code 051)—Continued						
General and special funds—Continued						
Operation and maintenance, Navy	NOA	3,913,451	3,955,494 [A] 25,000 [B] 13,450 [I] 624,000 [C] 28,550	4,706,000	59,506	Increase primarily reflects additional nuclear-powered and guided missile ships in the fleet, and greater ship repair and modernization.
Contract authorization (permanent, indefinite).	NOA	14,824				
	Exp.	3,785,725	3,989,000 [A] 21,000 [I] 540,000	4,606,600 [A] 3,400 [I] 70,000	130,000	
Operation and maintenance, Marine Corps.	NOA	326,470	325,552 [I] 96,700 [B] 620 [C] 1,680	395,000	−29,552	Decrease is mainly due to completion of funding in 1967 for one-time costs associated with the formation of the 5th Marine Division.
Contract authorization (permanent, indefinite).	NOA	6,105				
	Exp.	277,634	321,000 [I] 74,000	380,000 [I] 20,000	5,000	
Operation and maintenance, Air Force.	NOA	5,009,071	4,941,277 [A] 17,000 [I] 528,000 [B] 15,050 [C] 33,950	5,412,000	−123,277	Supplemental in 1967 is for increased personnel benefits. Decrease reflects continuing phaseout of older bombers, tanker and interceptor aircraft, partially offset by increases due to higher activity rates in Southeast Asia and significant force structure changes.
	Exp.	4,923,947	4,935,000 [A] 14,000 [I] 461,000	5,335,000 [A] 2,000 [I] 63,000	−10,000	

Operation and maintenance, Defense agencies.	NOA	**731,402**	**809,017** [1]**85,800** [C]**20,300**	**966,000**	**50,883**	Supplemental in 1967 is for increased personnel benefits. Increase reflects the full year effect of transfers from the military departments in 1967.
	Exp.	697,372	813,000 [1]77,000	928,000 [1]6,000	44,000	
Operation and maintenance, Army National Guard.	NOA	**246,496**	**231,000**	**241,000**	**10,000**	Increase provides for additions to equipment inventory and full support of Selected Reserve Force units.
	Exp.	225,968	234,000	232,000	−2,000	
Operation and maintenance, Air National Guard.	NOA	**244,100**	**253,300** [C]**1,400**	**266,970**	**12,270**	Increase supports a higher flying hour program and changes in aircraft assignments.
	Exp.	245,878	247,000	260,000	13,000	
National Board for the Promotion of Rifle Practice, Army.	NOA	**459**	**494**	**428**	**−66**	Program will promote small arms marksmanship through 5,800 clubs.
	Exp.	421	490	430	−60	
Claims, Defense	NOA	**24,000**	**25,000** [1]**9,000**	----------	**−4,000**	Supplemental in 1967 reflects the increase in the number of claims due to Southeast Asia and carryover of certain 1966 claims. Decrease in 1968 reflects high level of payments in 1967.
Indefinite	NOA	----------	----------	**30,000**		
	Exp.	23,338	25,675 [1]8,000	29,000 [1]1,000	−3,675	
Contingencies, Defense	NOA	**15,000**	**15,000**	**15,000**	----------	This account provides the Secretary of Defense with funds to meet emergencies and extraordinary expenses.
	Exp.	2,719	5,000	10,000	5,000	
Court of Military Appeals, Defense.	NOA	**590**	**600**	**602**	**2**	Estimate provides for judicial review of military court-martial convictions.
	Exp.	548	590	600	10	
Miscellaneous expired accounts	Exp.	2,209	4,245	2,970	−1,275	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[1] Proposed for separate transmittal, Southeast Asia supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
OPERATION AND MAINTENANCE—Con.						
(Functional code 051)—Continued						
General and special funds—Continued						
Federal employee status for civilian technicians (proposed legislation).	NOA	.....	.....	[A] 18,000	18,000	Provides Federal employee status for civilian technicians of the Army and Air National Guard.
	Exp.	.....	.....	[A] 17,000	17,000	
Total, operation and maintenance.	NOA	15,338,949	15,712,165 [A] 71,000 [I] 3,311,500 [B] 46,520 [C] 132,480	19,136,000 [A] 18,000	−119,665	
	Exp.	14,709,815	15,640,000 [A] 60,000 [I] 2,900,000	18,641,000 [A] 26,000 [I] 350,000	417,000	
PROCUREMENT						
(Functional code 051)						
Procurement of equipment and missiles, Army.	NOA	4,311,650	3,483,300 [I] 2,130,000	[J] 5,581,000	−32,300	Decrease due to achieving inventory objectives with 1967 funds more than offsets increases for the TOW antitank missile, the Lance missile, other modernization programs, and support of Southeast Asia operations.
	Exp.	2,670,776	4,150,000 [I] 300,000	4,290,000 [I] 1,080,000	920,000	
Procurement of aircraft and missiles, Navy.	NOA	3,175,087	1,731,900 [I] 1,752,000	[E] 3,046,000	−437,900	Supplemental in 1967 is for aircraft, missiles, and related equipment to replace combat losses in Vietnam. Decrease mainly reflects heavy 1967 funding for Southeast Asia. Normal procurement of modern fighter and attack aircraft, helicopters, and missiles will also continue in 1968.
	Exp.	2,509,355	2,825,000 [I] 175,000	2,477,000 [I] 900,000	377,000	

Shipbuilding and conversion, Navy.	NOA	**1,522,156**	**1,756,700**	[E]**1,824,000**	**67,300**	Increase is primarily for conversion of ballistic-missile submarines to carry the new Poseidon missile. Fleet modernization and replacement will continue for anti-air, antisubmarine, amphibious, and mine warfare forces. The 1968 program provides for 34 new ships and for 21 conversions.
	Exp.	1,479,881	1,450,000	1,575,000	125,000	
Other procurement, Navy	NOA	**1,912,981**	**1,968,300** [I]**287,000**	**2,359,000**	**103,700**	Increase reflects procurement of modern ordnance and equipment both for normal usage and inventory replacement, and for Southeast Asia requirements.
	Exp.	1,074,978	1,554,000 [I]46,000	1,890,000 [I]110,000	400,000	
Procurement, Marine Corps	NOA	**685,447**	**262,900** [I]**253,000**	[K]**665,000**	**149,100**	Increase is due to support of Southeast Asia operations and achievement of higher inventory objectives with 1968 funds.
	Exp.	161,665	275,000 [I]10,000	380,000 [I]145,000	240,000	
Aircraft procurement, Air Force	NOA	**5,287,485**	**4,013,300** [I]**1,303,000**	[E]**5,582,000**	**265,700**	Supplemental in 1967 provides aircraft and related equipment to replace combat losses. Increase in 1968 reflects the larger procurement quantities of F-111A tactical aircraft and FB-111 strategic bombers. The 1967 program includes 1,028 aircraft and the 1968 program includes 1,250 aircraft.
	Exp.	4,073,825	4,350,000 [I]250,000	4,340,000 [I]690,000	430,000	
Missile procurement, Air Force	NOA	**839,600**	**1,189,500** [I]**45,000**	[E]**1,343,000**	**108,500**	Increase reflects procurement of Minuteman II/III ballistic missiles, spare parts, and other support activities.
	Exp.	1,313,081	1,191,000 [I]19,000	1,300,000 [I]25,000	115,000	
Other procurement, Air Force	NOA	**2,263,243**	**2,122,600** [I]**536,000**	**2,477,000**	**−181,600**	Decrease mainly reflects heavy 1967 funding for Southeast Asia operations. In 1968, procurement of conventional ordnance and cryptographic, warning, communications, and control systems will continue.
	Exp.	1,027,021	1,775,000 [I]50,000	2,130,000 [I]250,000	555,000	
Procurement, Defense agencies	NOA	**15,200**	**51,300**	**40,000**	**−11,300**	Decrease reflects reduced procurement of data processing equipment for the Defense Supply Agency.
	Exp.	16,954	40,000	47,700	7,700	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.
[I] Proposed for separate transmittal, Southeast Asia.
[J] Includes $1,962,599 thousand to carry out authorizing legislation to be proposed.
[K] Includes $28,200 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
PROCUREMENT—Continued						
(Functional code 051)—Continued						
General and special funds—Continued						
Aircraft and related procurement, Navy.	Exp.	11,002	5,000	2,300	−2,700	(Program needs are now provided in other appropriations above.)
Total, procurement	NOA	**20,012,850**	**16,579,800** **[1]6,306,000**	**22,917,000**	**31,200**	
	Exp.	14,338,537	17,615,000 [1]850,000	18,432,000 [1]3,200,000	3,167,000	
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION						
(Functional code 051)						
Research, development, test, and evaluation, Army.	NOA	**1,464,098**	**1,556,698** **[1]40,000**	**[E]1,539,000**	**−57,698**	Supplemental in 1967 is for Southeast Asia developments, such as counterinfiltration systems. Work on such systems as Nike-X, SAM-D, the research helicopter, and the advanced aerial fire support system will continue in 1968.
	Exp.	1,412,279	1,494,000 [1]6,000	1,566,000 [1]24,000	90,000	
Research, development, test, and evaluation, Navy.	NOA	**1,573,561**	**1,874,036** **[1]40,000**	**[E]1,858,000**	**−56,036**	Supplemental in 1967 is for Southeast Asia developments, such as antiradar attack missiles. The 1968 estimate supports continued development of such systems as the Poseidon missile and the F-111B aircraft.
	Exp.	1,406,832	1,654,000 [1]6,000	1,816,000 [1]24,000	180,000	

Research, development, test, and evaluation, Air Force.	NOA	**3,214,991**	**3,135,751** **[I] 33,000**	**[E] 3,287,000**	**118,249**	Supplemental in 1967 is to improve aircraft effectiveness in Southeast Asia. Small reductions in a number of programs in 1968 are more than offset by increases for programs such as the Manned Orbiting Laboratory, the C-5A, and the short-range attack missile.
	Exp.	2,948,204	3,055,000 [I] 5,000	3,261,000 [I] 19,000	220,000	
Research, development, test, and evaluation, Defense agencies.	NOA	**493,300**	**460,840** **[I] 22,000**	**[E] 464,000**	**−18,840**	Such programs as ballistic missile defense, nuclear underground tests, nuclear test detection, and remote area conflict will continue in 1968.
	Exp.	491,768	477,000 [I] 3,000	452,000 [I] 13,000	−15,000	
Emergency fund, Defense	NOA	----------	**18,195**	**[E] 125,000**	**106,805**	Funds are transferred to other appropriations for prompt exploitation of research and development opportunities. The 1967 amount is the current balance after such transfers.
	Exp.	----------	----------	25,000	25,000	
Total, research, development, test, and evaluation.	NOA	**6,745,950**	**7,045,520** **[I] 135,000**	**7,273,000**	**92,480**	
	Exp.	6,259,083	6,680,000 [I] 20,000	7,120,000 [I] 80,000	500,000	
MILITARY CONSTRUCTION						
(Functional code 051)						
Military construction, Army	NOA	**967,704**	**114,014** **[I] 288,500**	**[L] 592,000**	**189,486**	Increases, primarily for elimination of deficiencies in troop housing and for operational and training facilities, more than offset a decline in Southeast Asian funding.
	Exp.	326,862	463,000 [I] 50,000	456,000 [I] 180,000	123,000	
Military construction, Navy	NOA	**634,755**	**126,918** **[I] 140,000**	**[M] 651,000**	**384,082**	Increases, primarily for elimination of deficiencies in troop housing and for operational and training facilities, more than offset a decline in Southeast Asian funding.
	Exp.	447,398	400,000 [I] 30,000	245,000 [I] 90,000	−95,000	

[E] To carry out authorizing legislation to be proposed.
[I] Proposed for separate transmittal, Southeast Asia supplemental.
[L] Includes $531,923 thousand to carry out authorizing legislation to be proposed.
[M] Includes $574,536 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
MILITARY CONSTRUCTION—Continued						
(Functional code 051)—Continued						
General and special funds—Continued						
Military construction, Air Force	NOA	705,672	205,495 [I]196,000	[N]618,000	216,505	Increases, primarily for elimination of deficiencies in troop housing and for operational and training facilities, more than offset a decline in Southeast Asian funding.
	Exp.	516,073	580,000 [I]30,000	435,000 [I]130,000	−45,000	
Military construction, Defense agencies.	NOA	219,768	7,986	[O]240,000	232,014	Estimate includes $200 million for construction which may be required for emergency situations in Southeast Asia and elsewhere.
	Exp.	16,410	20,000	30,000	10,000	
Military construction, Army National Guard.	NOA	10,000	----------	----------	----------	(Obligation programs of $5 million in 1967 and $10 million in 1968 are for uncompleted prior year projects.)
	Exp.	2,979	1,500	5,500	4,000	
Military construction, Air National Guard.	NOA	10,000	9,400	[E]9,500	100	Obligation programs of $14 million in 1967 and $13 million in 1968 include uncompleted prior year projects.
	Exp.	8,110	10,000	11,200	1,200	
Military construction, Army Reserve.	Exp.	2,187	530	2,000	1,470	(Expenditures are for uncompleted projects from prior year programs.)
Military construction, Naval Reserve.	NOA	9,500	5,400	[F]5,000	−400	Obligation programs of $8.5 million in 1967 and $8.4 million in 1968 include uncompleted prior year projects.
	Exp.	4,370	5,500	7,000	1,500	
Military construction, Air Force Reserve.	NOA	4,000	3,600	[E]3,900	300	Obligation programs of $5.5 million in 1967 and $5.7 million in 1968 include uncompleted prior year projects.
	Exp.	2,444	6,200	4,700	−1,500	

Loran stations, Defense	NOA	5,000	----------	3,600	3,600	Increase is for added facilities for this navigation system.
	Exp.	6,730	3,270	3,600	330	
Total, military construction	NOA	2,566,399	472,814 [I]624,500	2,123,000	1,025,686	
	Exp.	1,333,564	1,490,000 [I]110,000	1,200,000 [I]400,000	----------	
FAMILY HOUSING						
(Functional code 051)						
Family housing, Defense	NOA	665,846	507,196	[E]787,000	279,804	Increase provides for 12,500 new units, additional leases to support unit relocations overseas, and for needed maintenance.
	Exp.	647,470	569,000	560,000	−9,000	
Homeowners assistance fund, Defense.	NOA	----------	[A]11,000	[E]27,000	16,000	Estimate provides for acquisition of homes and payments to homeowners at locations affected by base closure action. Supplemental in 1967 provides for initial funding.
	Exp.	----------	[A]1,000	12,000 [A]10,000	21,000	
Total, family housing	NOA	665,846	507,196 [A]11,000	814,000	295,804	
	Exp.	647,470	569,000 [A]1,000	572,000 [A]10,000	12,000	
CIVIL DEFENSE						
(Functional code 051)						
Operation and maintenance, civil defense.	NOA	64,066	66,099	73,100	7,001	Increase provides added support for radiological defense activities and for State and local civil defense operations.
	Exp.	61,378	63,500	64,200	700	
Research, shelter survey and marking, civil defense.	NOA	42,700	35,000	37,900	2,900	Increase provides for resumption of procurement of shelter provisions.
	Exp.	24,552	33,000	35,000	2,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[E] To carry out authorizing legislation to be proposed.
[I] Proposed for separate transmittal, Southeast Asia supplemental.
[N] Includes $558 070 thousand to carry out authorizing legislation to be proposed.
[O] Includes $221,100 thousand to carry out authorizing legislation to be proposed.
[P] Includes $4,500 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
CIVIL DEFENSE—Continued						
(Functional code 051)—Continued						
General and special funds—Continued						
Construction of facilities, civil defense.	Exp.	122	500	800	300	(Increase mainly reflects higher payments in 1968 for construction of a Federal emergency center near Harvard, Mass.)
Total, civil defense	NOA	**106,766**	**101,099**	**111,000**	**9,901**	
	Exp.	86,051	97,000	100,000	3,000	
SPECIAL FOREIGN CURRENCY PROGRAM						
Special foreign currency program	NOA	----------	**7,348**	**[9]16,000**	**8,652**	Increase is for greater use of excess foreign currencies for Department of Defense requirements.
	Exp.	----------	2,000	9,000	7,000	
REVOLVING AND MANAGEMENT FUNDS						
(Functional code 051)						
Public enterprise funds:						
Defense production guarantees	Exp.	167	2,600	−3,200	−5,800	(A reduction in the purchase of defaulted loans is expected.)
Laundry service, Naval Academy	Exp.	−51	7	−13	−20	(Receipts and expenditures of about $820 thousand, slightly higher than in 1967 are expected.)
Civil defense procurement fund	Exp.	----------	−1	----------	1	(Receivables at end 1966 will be collected in 1967.)

Intragovernmental funds:						
Army stock fund	NOA		[1]351,000	60,000	−291,000	Supplemental in 1967 provides for inventory buildup for support of Southeast Asia and other contingencies. Decrease reflects leveling of inventory buildup in 1968.
Contract authorization (permanent, indefinite).	NOA	237,022				
	Exp.	276,849	195,000	−295,000 [1]351,000	−139,000	
Navy stock fund	NOA		[1]77,000		−77,000	Supplemental in 1967 provides for inventory buildup for support of Southeast Asia and other contingencies. Decrease reflects leveling of inventory buildup in 1968.
Contract authorization (permanent, indefinite).	NOA	117,564				
	Exp.	83,566	88,000	−76,000 [1]77,000	−87,000	
Marine Corps stock fund	NOA			4,000	4,000	Increase provides for inventory buildup for support of Southeast Asia and other contingencies.
Contract authorization (permanent, indefinite).	NOA	42,509				
	Exp.	3,016	56,000	7,000	−49,000	
Air Force stock fund	Exp.	5,715	10,000	−9,000	−19,000	(Inventory buildup levels off in 1968.)
Defense stock fund	NOA		[1]107,000	133,000	26,000	Estimate provides for continued inventory buildup for support of Southeast Asia and other contingencies.
Contract authorization (permanent, indefinite).	NOA	985,693				
	Exp.	−139,967	337,000	24,000 [1]107,000	−206,000	
Army industrial fund	Exp.	−124,888	−31,300	57,700	89,000	(Increase reflects prepayments on orders received in 1966 and 1967.)
Navy industrial fund	Exp.	−22,293	119,500	87,300	−32,200	(Expenditure decrease relates to increase in prepaid orders.)
Air Force industrial fund	NOA			44,000	44,000	Additional capital is required to finance new activities being brought under the fund.
	Exp.	39,305	−54,000	5,000	59,000	
Defense industrial fund	Exp.	−19,710	−7,500	4,000	11,500	(Expenditures will increase as the effect of accelerated billings in 1966 declines.)
Army management fund	Exp.	9,548				(Fund will operate at $436 million level in 1968.)
Navy management fund	Exp.	170,088				(Total 1968 activity of $843 million is forecast.)

[1] Proposed for separate transmittal, Southeast Asia supplemental.
[2] Includes $8,808 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
REVOLVING AND MANAGEMENT FUNDS—Continued						
(Functional code 051)—Continued						
Intragovernmental funds—Continued						
Air Force management fund	Exp.	84	100	.....	−100	(Liquidation of prior year obligations continues.)
Naval working fund	Exp.	−320	351	213	−138	(Estimate reflects activity of $18 million in 1968.)
Consolidated working funds, Army.	Exp.	26	243	.....	−243	(Account will be inactive in 1968.)
Total, revolving and management funds.	NOA	1,382,788	[I] 535,000	241,000	−294,000	
	Exp.	281,135	716,000	−198,000 [I] 535,000	−379,000	
Total, Department of Defense—Military.	NOA	63,892,440	59,156,984 [A] 82,000 [I] 12,275,870 [B] 46,520 [C] 132,480 [D] 340,130	74,632,000 [A] 42,000	2,640,016	
	Exp.	54,409,007	61,194,000 [A] 61,000 [I] 5,190,000 [B] 44,840 [C] 125,160 [D] 335,000	67,608,000 [A] 59,000 [I] 4,618,870 [B] 1,680 [C] 7,320 [D] 5,130	5,350,000	

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY						
Cemeterial Expenses						
General and special funds:						
Salaries and expenses.....805	NOA	13,806	15,098 [A]2,149 [B]15 [C]81	24,637	7,294	Increase reflects rise in headstone applications, a special construction and land development project at Arlington National Cemetery, and developmental work at other national cemeteries.
	Exp.	14,967	15,397 [A]849	18,000 [A]1,300	3,054	
Corps of Engineers—Civil						
General investigations.....401	NOA	25,465	32,450	39,745	7,295	Provides funds for 271 flood control, navigation, and beach erosion studies, of which 41 will be started in 1968. Comprehensive river basin surveys for the Great Lakes and Souris-Red regions will be started.
	Exp.	24,344	31,500	39,500	8,000	
Construction, general.....401	NOA	994,179	966,215	952,573	−13,642	Funds in 1968 will provide for construction of 254 projects, of which 198 will continue; 9, costing $150 million, will be started; and 49, costing $724 million, will be completed, including 2 of the projects started in 1968. Preconstruction planning will continue on 79 projects and will be initiated on 24 projects.
	Exp.	934,181	918,873	982,696	63,823	
Operation and maintenance, general.....401	NOA	183,112	178,893	197,634	18,741	Workload in 1968 involves maintenance of 517 projects.
	Exp.	170,905	186,000	197,000	11,000	
Flood control and coastal emergencies.....401	NOA	19,750	7,000	.....	−7,000	Provides funds for emergency operations to combat flood disaster situations. It will be financed in 1968 from funds appropriated in prior years.
	Exp.	19,851	10,000	9,500	−500	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.
[I] Proposed for separate transmittal, Southeast Asia supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—CIVIL—Continued						
DEPARTMENT OF THE ARMY—Con.						
Corps of Engineers—Civil—Continued						
General and special funds—Continued						
General expenses.....401	NOA	16,922	17,550 [C]425 [D]15	19,914	1,924	Increase provides for planning-programing-budgeting system and related planning efforts; project analysis and data collection; and management and supervision of larger program workload.
	Exp.	16,643	18,013	19,800	1,787	
Flood control, Mississippi River and tributaries.....401	NOA	84,942	87,135	77,400	−9,735	Construction is continued on 10 major project features, and provision is made for project ope ation and essential maintenance.
	Exp.	86,527	88,000	77,500	−10,500	
Payments to States, Flood Control Act of 1954 (permanent, indefinite, special fund).....401	NOA	2,422	1,928	2,028	100	Three-fourths of receipts from lease of Federal lands acquired for flood control, navigation, and allied purposes are paid to States in which the projects are situated.
	Exp.	1,959	2,422	1,928	−494	
Corps of Engineers—Civil, special expense funds (permanent, indefinite, special funds).....401	NOA	3,170	172	172	.....	Fees paid by mine operators for depositing mine debris in restraining works are used for their maintenance. Half of the receipts from Federal Power Commission licenses are used for maintenance of navigation improvements.
	Exp.	174	3,170	172	−2,998	
Intragovernmental funds:						
Advances and reimbursements, Corps of Engineers—Civil..401	Exp.	−8,630	297	.....	−297	

Revolving fund, Corps of Engineers—Civil.....401	Exp.	4,494	1,725	1,904	179	(The fund provides centralized services and facilities to agency programs.)
Total, Corps of Engineers—Civil.	NOA	**1,329,962**	**1,291,343** [C]425 [D]15	**1,289,466**	**−2,317**	
	Exp.	1,250,448	1,260,000	1,330,000	70,000	
Ryukyu Islands						
General and special funds:						
Administration.....910	NOA	**14,773**	**14,893** [C]55	**14,956**	**8**	Includes $12 million for aid to the Ryukyuan economy. Remaining funds support administrative costs of the High Commissioner.
	Exp.	10,932	14,207	14,829	622	
Construction of power systems.910	Exp.	408	4,388	4,000	−388	(Provides for a loan to the Ryukyu Electric Power Corporation to be utilized for additional powerplant facilities.)
Pretreaty claims.....910	NOA	.....	**21,040**	.....	**−21,040**	Provides for payments to certain inhabitants of the islands for damages by U.S. Forces before the signing of the Japanese Peace Treaty.
	Exp.	.....	8,800	9,000	200	
Total, Ryukyu Islands.....	NOA	**14,773**	**35,933** [C]55	**14,956**	**−21,032**	
	Exp.	11,340	27,395	27,829	434	
THE PANAMA CANAL						
Canal Zone Government:						
Operating expenses.....910	NOA	**31,300**	**33,404** [C]1,331 [D]11	**36,191**	**1,445**	Increase allows for accommodating greater school enrollment, operating new facilities, and improving health services.
	Exp.	31,366	34,346	36,014	1,668	
Capital outlay.....910	NOA	**9,000**	**2,000**	**5,024**	**3,024**	Estimate includes $1,072 thousand for educational facilities and $1,877 thousand for health and sanitation.
	Exp.	5,199	7,851	7,312	−539	

[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—CIVIL—Continued						
THE PANAMA CANAL—Continued						
General and special funds—Continued						
Panama Canal Company: Thatcher Ferry Bridge.....502	Exp.	−1	.....	.....	.....	(Project was completed in 1966.)
Public enterprise funds:						
Panama Canal Company fund.502	Exp.	−4,310	−1,025	−5,545	−4,520	(Receipts from operations are expected to increase $2.7 million, while gross expenditures decline $1.9 million.)
Limitation on general and administrative expenses.		(11,137)	(12,000) [C] (278)	(13,267)	(989)	(Increase due primarily to expansion of training programs and additional consultant requirements.)
Total, the Panama Canal....	NOA	**40,300**	**35,404** **[C] 1,331** **[D] 11**	**41,215**	**4,469**	
	Exp.	32,254	41,172	37,781	−3,391	
UNITED STATES SOLDIERS' HOME						
Trust fund:						
Operation and maintenance.....		(7,222)	(7,433) [B] (93) [C] (134)	(8,024)	(364)	(Increase reflects a slight rise from 1,925 to 1,960 domiciliary members and from 395 to 405 hospital patients, physical improvements, and equipment replacement.)
Capital outlay.....		.....	(3,575)	(305)	(−3,270)	(Decrease reflects certain domiciliary construction in 1967.)

MISCELLANEOUS ACCOUNTS						
General and special funds:						
Wildlife conservation, etc., military reservations (permanent, indefinite, special funds) ...404	NOA	198	199	199	----------	Fishing and hunting license fees are used to carry out a fish and game conservation program.
	Exp.	149	171	191	20	
Total, Department of Defense—Civil.	NOA	1,399,039	1,377,977 [A]2,149 [B]15 [C]1,892 [D]26	1,370,473	−11,586	
	Exp.	1,309,159	1,342,380 [A]849 [B]15 [C]1,717 [D]23	1,413,623 [A]1,300 [C]175 [D]3	70,117	
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE						
FOOD AND DRUG ADMINISTRATION						
General and special funds:						
Salaries and expenses.....651	NOA	52,940	59,551 [A] 194 [C] 1,306	66,749	5,698	Supplemental in 1967 is for moving expenses. Increase provides for a timely review of new drug applications, intensified drug abuse control, expanded medical regulatory support, and continued study of the safety of oral contraceptives.
	Exp.	44,572	54,377 [A] 100	56,336 [A] 94	1,953	
Building and facilities.....651	NOA	5,720	3,130	1,150	−1,980	Estimate is primarily planning funds for a second headquarters laboratory facility.
	Exp.	810	2,582	5,570	2,988	
Pharmacological-animal laboratory building.....651	Exp.	23	21	----------	−21	(Laboratory was completed in 1964.)

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
FOOD AND DRUG ADMINISTRATION—Continued						
Public enterprise funds:						
Revolving fund for certification and other services.....651	Exp.	−235	−80	.....	80	(Industry fees finance the certification of antibiotic drugs, insulin, color additives, the establishment of pesticides tolerances, and the expenses of certain advisory committees.)
Total, Food and Drug Administration.	NOA	**58,660**	**62,681** **A 194** **C 1,306**	**67,899**	**3,718**	
	Exp.	45,171	56,900 A 100	61,906 A 94	5,000	
OFFICE OF EDUCATION						
General and special funds:						
Elementary and secondary educational activities.....701	NOA	**1,151,000**	**1,342,410**	**1,692,000** **A 15,000**	**364,590**	Legislation will be proposed to authorize grants to strengthen analysis and planning for education programs in States. Increase is for education of 8.5 million disadvantaged children and for projects to supplement regular school instruction. School equipment programs will be decreased. Teacher institutes formerly carried under Defense educational activities are also included under this account.
NOA comparable to 1968 request.		*(1,308,097)*	*(1,464,610)*			
	Exp.	815,098	1,243,500	1,413,441 A 10,000	179,941	
School assistance in federally affected areas.....701	NOA	**438,078**	**439,137**	**439,137**	.....	In 1968, payments will be made in areas affected by Federal activities in support of 2,564,000 children in 4,263 districts.
	Exp.	409,593	421,600	421,600	.....	
National Teacher Corps.....701	NOA	**9,500**	**7,500** **A 12,500**	**E 36,000**	**16,000**	Supplemental will permit 2,500 volunteers to begin training for service in schools in 1968. At the end of 1968, 5,950 members will be enrolled compared to 3,700 in 1967.
	Exp.	362	6,500 A 1,500	10,000 A 11,000	13,000	

Higher educational activities..702	NOA	**875,073**	**948,594**	**1,173,194** [A] **2,000**	**226,600**	Proposed legislation will authorize sale of participation certificates in National Defense Education Act student loans. Decreases in obligations for construction of academic facilities are offset by increases for student assistance and college teacher training. Student loans and graduate fellowships, formerly carried under Defense educational activities, are now included in this account.
NOA comparable to 1968 request.		*(980,784)*	*(1,177,251)*			
	Exp.	153,779	544,478	907,387 [A] −100,000	262,909	
Expansion and improvement of vocational education.....704	NOA	**253,441**	**278,016**	[B] **259,900** [A] **30,000**	**11,884**	Legislation will be proposed for innovative vocational programs oriented toward occupations most in demand. Decrease reflects phasing out of work-study assistance as the Neighborhood Youth Corps program assumes responsibility. Estimate also covers interest payments on insured loans for 262,500 students.
	Exp.	131,594	221,300	221,290 [A] 12,000	11,990	
Libraries and community services	NOA	**55,000**	**76,000**	**165,950**	**89,950**	Increases are for adult literacy (carried under Elementary and secondary educational activities in 1967), and for university community service programs (previously carried under Higher educational activities). College library grants, previously part of Higher educational activities, also are included.
NOA comparable to 1968 request.		*(76,300)*	*(146,950)*			
704	Exp.	40,915	55,400	144,500	89,100	
Educational improvement for the handicapped.....701	NOA	**25,500**	**32,600** [A] **2,500**	**53,400**	**18,300**	Supplemental in 1967 will initiate planning for newly authorized programs of grants for special school classes for the handicapped. Increase will provide services for 100,000 children.
	Exp.	15,366	24,200 [A] 600	37,700 [A] 1,900	14,800	
Research and training.....704	NOA	**70,000**	**70,000**	**99,900**	**29,900**	Increases for educational laboratories, development of curricular materials, and expansion of research particularly for occupational education are partially offset by decrease in nonrecurring laboratory construction. Research activities, formerly included under Expansion and improvement of vocational education, Defense educational activities, and Higher educational activities, have been merged with this account.
	Exp.	19,648	49,800	66,660	16,860	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.
[B] Includes $7,000 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
OFFICE OF EDUCATION—Continued						
General and special funds—Continued						
Educational research and training (special foreign currency program) 704	NOA	1,000	1,000	4,600	3,600	Excess foreign currencies support research and training in foreign countries on ways to improve education in the United States.
	Exp.	500	800	2,000	1,200	
Salaries and expenses 704	NOA	30,347	34,759 c 740	40,253	4,754	Increases provide staff to strengthen technical assistance and other field services and for expansion of educational data systems.
	Exp.	25,901	31,500	39,000	7,500	
Civil rights educational activities 701	NOA	8,000	8,000 c 28	30,000	21,972	Increases are to assist States and school boards in alleviating problems caused by desegregation of schools.
	Exp.	5,291	8,100	21,000	12,900	
Arts and humanities educational activities 701	NOA	1,000	1,000	1,000	.....	Grants to States for school equipment and teacher training institutes in the arts and humanities will continue at 1967 level.
	Exp.	427	870	950	80	
Defense educational activities:						
(Assistance for elementary and secondary education) 701	NOA	157,097	152,200	.....	−152,200	(Appropriations now included in Elementary and secondary educational activities.)
	Exp.	121,689	143,750	71,709	−72,041	
(Assistance for higher education) 702	NOA	248,711	286,657	.....	−286,657	(Appropriations now included in Higher educational activities and Higher education for international understanding, Office of the Secretary.)
	Exp.	219,440	257,100	99,668	−157,432	
(Other aids to education) 704	NOA	6,800	7,500	.....	−7,500	(Appropriations now included in Research and training.)
	Exp.	5,368	5,600	4,200	−1,400	
Total, Defense educational activities.	NOA	412,608	446,357	.....	−446,357	
	Exp.	346,497	406,450	175,577	−230,873	

Foreign language training and area studies.....702	NOA	2,000	3,000	.....	−3,000	(Program is transferred to Higher education for international understanding in the Office of the Secretary.)
	Exp.	1,458	2,400	2,600	200	
Colleges for agriculture and the mechanic arts (permanent).702	NOA	2,550	2,550	2,550	.....	Annual grants of $50,000 are made to each State and to Puerto Rico.
	Exp.	2,550	2,550	2,550	.....	
Promotion of vocational education, act of Feb. 23, 1917 (permanent).....704	NOA	7,161	7,161	7,161	.....	Matching grants are made to States for training and salaries for teachers of vocational subjects.
	Exp.	4,185	10,137	7,161	−2,976	
Public enterprise funds:						
Student loan insurance fund..702	NOA	50	3,200	.....	−3,200	Insures loans to college and vocational students made by banks and other credit institutions.
	Exp.	.....	−257	−297	−40	
Higher education loan fund...702	NOA	.....	200,659	2,625	−198,034	Fund will make available $200 million in loans for academic facilities in both 1967 and 1968.
	Exp.	.....	−86,821	−51,508	35,313	
Intragovernmental funds:						
Advances and reimbursements.704	Exp.	−1,024	2,212	−713	−2,925	
Total, Office of Education...	NOA	3,342,308	3,901,943 [A] 15,000 [C] 768	4,007,670 [A] 47,000	136,959	
	Exp.	1,972,140	2,944,719 [A] 2,100	3,420,898 [A] −65,100	408,979	
VOCATIONAL REHABILITATION ADMINISTRATION						
General and special funds:						
Grants for rehabilitation services and facilities.....659	NOA	171,310	244,060 [A] 15,000	311,550	52,490	Supplemental in 1967 is required under the $350 million allotment base to provide Federal funds for matching estimated State funds available. Further increases in 1968 will assist States to rehabilitate more than 218,000 disabled individuals, 15% more than 1967.
	Exp.	152,521	234,707 [A] 15,000	301,870	52,163	
Research and training.....659	NOA	53,145	60,325	65,484	5,159	Supports 406 research and demonstration projects, 13,768 traineeships, 738 teaching grants, and 18 research and training centers.
	Exp.	43,836	55,654	60,611	4,957	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
VOCATIONAL REHABILITATION ADMINISTRATION—Continued						
General and special funds—Continued						
Research and training (special foreign currency program)..659	NOA	2,000	3,000	5,000	2,000	Excess foreign currencies in 8 countries support use of oversea facilities for rehabilitation research and the exchange of rehabilitation experts.
	Exp.	2,113	3,200	3,920	720	
Grants for correctional rehabilitation study.....659	NOA	560	800	800	.....	Provides Federal share for the final year of a 3-year study of rehabilitation of public offenders.
	Exp.	260	653	1,000	347	
Salaries and expenses.....659	NOA	3,875	4,869	5,621	752	Increase is to strengthen specialized services to States and nonprofit grantees and to administer expanded Federal grant program. (Federal administrative costs of rehabilitating social security beneficiaries are financed from trust funds.)
	Exp.	3,332	4,759	5,444	685	
Limitation payable from social security trust funds.		(115)	(299)	(336)	(37)	
Intragovernmental funds: Advances and reimbursements.659		−6	1	.....	−1	
Total, Vocational Rehabilitation Administration.	NOA	230,890	313,054 ^ 15,000	388,455	60,401	
	Exp.	202,056	298,974 ^ 15,000	372,845	58,871	

PUBLIC HEALTH SERVICE						
Health Manpower						
General and special funds:						
Health manpower education and utilization.....651	NOA	.....	[A]12,750	170,413	157,663	The 1968 estimate provides for grants to improve the curriculum in schools educating professional health practitioners, for the first full-year operation of a program supporting the education of allied health workers and for increased scholarships for medical and other students. Revolving funds to support loans to students in the health professions will be initiated by proposed 1967 supplemental request.
	Exp.	.....	[A]12,700	71,941 [A]50	59,291	
Construction of health educational facilities.....651	NOA	90,599	160,727	203,000	42,273	Increase provides additional support for construction of teaching facilities for the health and allied professions to increase manpower in short supply.
	Exp.	5,099	45,000	95,000	50,000	
Dental services and resources.651	NOA	8,382	9,693	.....	−9,693	This activity was transferred to Health manpower education and utilization.
	Exp.	7,095	8,864	5,383	−3,481	
Nursing services and resources.651	NOA	19,575	25,518	.....	−25,518	This activity was transferred to Health manpower education and utilization.
	Exp.	13,180	17,596	17,273	−323	
Total, health manpower.....	NOA	118,556	195,938 [A]12,750	373,413	164,725	
	Exp	25,373	71,460 [A]12,700	189,597 [A]50	105,487	
Disease Prevention and Environmental Control						
Chronic diseases.....651	NOA	83,070	91,591	27,942	−63,649	Decrease is due to transfer of formula and project grants to Comprehensive health planning and services.
	Exp.	53,943	79,211	46,744	−32,467	
Communicable diseases.....651	NOA	40,470	44,220	72,272	28,052	Increase due to transfer of foreign quarantine, pesticides, tuberculosis, and venereal disease programs, and for laboratory improvement and *aedes aegypti* eradication.
	Exp.	38,304	42,511	52,647	10,136	

[A] Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
Disease Prevention and Environmental Control—Continued						
General and special funds—Continued						
Air pollution 651	NOA	26,622	35,561 A 4,900	64,185	23,724	Supplemental in 1967 is primarily for the new control grants. 1968 estimate will stress State and local control programs and research, especially on problems of sulfur oxides.
	Exp.	20,859	26,063 A 1,700	46,341 A 3,200	21,778	
Urban and industrial health 651	NOA	13,839	21,962	42,594	20,632	This appropriation combines the programs formerly known as Environmental engineering and sanitation, Occupational health, and Injury control. Increases are provided for solid waste planning and for occupational health research.
	Exp.	8,791	15,498	26,587	11,089	
Radiological health 651	NOA	20,928	20,895	15,687	−5,208	Decrease due to transfer of formula and training grants to Comprehensive health planning and services.
	Exp.	18,567	20,944	15,716	−5,228	
Injury control 651	NOA	4,350	5,668	----------	−5,668	(This program has been transferred to Urban and industrial health.)
	Exp.	3,931	4,700	2,300	−2,400	
Control of tuberculosis 651	NOA	15,661	21,597	----------	−21,597	(This program has been transferred to Communicable diseases.)
	Exp.	12,638	18,100	5,800	−12,300	
Control of venereal diseases 651	NOA	10,387	10,593	----------	−10,593	(This program has been transferred to Communicable diseases.)
	Exp.	10,113	10,350	1,250	−9,100	
Occupational health 651	NOA	5,837	6,592	----------	−6,592	(This program has been transferred to Urban and industrial health.)
	Exp.	4,950	5,400	3,350	−2,050	

Foreign quarantine activities..651	NOA	7,647	8,022 [C] 180	----------	−8,202	(This program has been transferred to Communicable diseases.)
	Exp.	7,392	8,022	748	−7,274	
Environmental health activities 651	Exp.	−1	7	----------	−7	(Activities now appear in other accounts.)
Total, disease prevention and environmental control.	NOA	228,811	266,701 [A] 4,900 [C] 180	222,680	−49,101	
	Exp.	179,486	230,806 [A] 1,700	201,483 [A] 3,200	−27,823	
Health Services						
Community health services...651	NOA	87,169	128,114	[B] 64,448	−63,666	Estimate provides for expanded efforts to improve health services to people in rural areas, and migrant health. Educational support and student loan funds formerly in this appropriation have been transferred to Health manpower education and utilization.
	Exp.	54,194	100,646	64,869	−35,777	
Limitation payable from trust funds.		(2,100)	----------	(4,075)	(4,075)	
Hospitals and medical care...651	NOA	58,969	61,703 [B] 348 [C] 1,970 [D] 340	63,851	−510	The 1968 estimate provides for staffing improvements in the Public Health Service general hospitals and expanded professional training, offset by the transfer of the 2 Public Health Service psychiatric hospitals to the National Institute of Mental Health.
	Exp.	57,293	60,881	58,536	−2,345	
Hospital construction activities 651	NOA	303,294	313,525	[T] 308,357	−5,168	Estimate provides for an increase of $10 million (to $280 million) for construction of health facilities, $2.5 million (to $10 million) for hospital and medical facilities research, and $12.5 million (to $15 million) for demonstration health facilities in Appalachia. $30 million included in this program in 1967 is now included in Community health services and Comprehensive health planning and services.
	Exp.	200,382	225,178	235,000	9,822	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.
[S] Includes $10,000 thousand to carry out authorizing legislation to be proposed.
[T] Includes $15,000 thousand to carry out authorizing legislation to be proposed.

250-000 O—67——17

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
Health Services—Continued						
General and special funds—Continued						
Indian health activities.....651	NOA	67,527	74,459 [B] 498 [C] 1,190 [D] 177	82,133	5,809	The increase permits improved hospital staffing, expansion and improvement of field health activities, and increased training of professional and subprofessional personnel.
	Exp.	65,647	72,015	73,521	1,506	
Construction of Indian health facilities.....651	NOA	14,096	14,489	22,211	7,722	The estimate includes planning of 1 hospital, construction of 1 hospital and 11 health centers, 65 sanitation projects serving 8,000 families, and other miscellaneous construction projects.
	Exp.	9,192	14,000	17,000	3,000	
Medical care services.....651	NOA	.....	10,227	.....	−10,227	This activity was transferred to Community health services.
	Exp.	.....	8,006	2,221	−5,785	
Limitation payable from trust funds.		.....	(3,512)	.....	(−3,512)	
George Washington University Hospital construction.....651	Exp.	1,357	375	.....	−375	(Expenditure from funds appropriated in 1964.)
Total, health services.....	NOA	531,055	602,517 [B] 846 [C] 3,160 [D] 517	541,000	−66,040	
	Exp.	388,066	481,101	451,147	−29,954	

National Institutes of Health						
General research and services 651	NOA	**60,467**	**68,521**	**81,141**	**12,620**	Increase reflects centralization of financing for a cooperative medical research program with Japan and further expansion of programs for laboratory animal resources and computer research and technology.
	Exp.	119,843	65,727	68,712	2,985	
Biologics standards 651	NOA	**6,806**	**7,904**	**8,649**	**745**	Estimate will provide for the continuation of studies of tumor-producing factors in vaccines, for biologics control activities, and for the development and utilization of new laboratory facilities.
	Exp.	4,896	6,803	7,049	246	
National Cancer Institute 651	NOA	**163,706**	**175,643**	**183,356**	**7,713**	Increase is for expansion of studies in virus leukemia, carcinogenisis, and viral oncology. Task forces on breast cancer, solid tumors, and lung cancer will be in operation.
	Exp.	133,855	153,884	161,569	7,685	
National Heart Institute 651	NOA	**141,459**	**164,757**	**167,954**	**3,197**	Increase is for expansion of research in thrombosis and hemorrhagic diseases, including a program on resources of blood and blood products for therapeutic use, and for continued emphasis on the artificial heart-myocardial infarction program.
	Exp.	111,368	138,440	146,965	8,525	
National Institute of Dental Research 651	NOA	**23,677**	**28,296**	**30,307**	**2,011**	Estimate provides for continued emphasis on the development of university-based dental research institutes, and studies of periodontal diseases and oro-facial growth and development.
	Exp.	19,248	23,257	24,101	844	
National Institute of Arthritis and Metabolic Diseases 651	NOA	**123,200**	**135,675**	**143,954**	**8,279**	Increase will provide for expansion of the artificial kidney-chronic uremia program.
	Exp.	97,896	117,205	119,459	2,254	
National Institute of Neurological Diseases and Blindness 651	NOA	**101,144**	**116,284**	**128,633**	**12,349**	Increase will strengthen research programs in degenerative disorders, Parkinsonism, head injury, and stroke.
	Exp.	75,828	97,533	102,873	5,340	
National Institute of Allergy and Infectious Diseases 651	NOA	**77,986**	**90,658**	**94,422**	**3,764**	Increase provides for continuation and strengthening of research programs in immunology, infectious and respiratory diseases, and vaccine development.
	Exp.	62,657	76,207	77,972	1,765	
National Institute of General Medical Sciences 651	NOA	**127,186**	**145,088**	**160,284**	**15,196**	Increase provides for expansion of research in anesthesiology, the establishment of diagnostic radiology centers, and strengthening of research training programs in pharmacology and toxicology.
	Exp.	32,095	125,479	130,033	4,554	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
National Institutes of Health—Continued						
General and special funds—Continued						
National Institute of Child Health and Human Development..651	NOA	55,023	64,922	68,621	3,699	Increase will be used for continued emphasis on research and research training programs in the behavioral sciences, reproduction, mental retardation, and aging.
	Exp.	37,346	52,122	55,014	2,892	
Regional medical programs...651	NOA	25,000	45,004	64,314	19,310	Increase will provide for the continuation and expansion of the operational grant phase of the program. Operations will be initiated in most of the estimated 53 regions.
	Exp.	305	7,538	36,811	29,273	
Environmental health sciences.651	NOA	15,972	24,298	20,615	−3,683	Estimate provides increase for research and research training programs in the environmental health field, including development of university-based environmental health science institutes, and staffing of the National Environmental Health Sciences Center. Decrease results from transfer of certain functions to Urban and industrial health and Communicable diseases.
	Exp.	9,511	17,098	17,719	621	
Grants for construction of health research facilities.....651	NOA	56,000	56,000	35,000	−21,000	Program to construct new health research facilities will have $50 million available in 1968 as a result of $15 million carryover from 1967.
	Exp.	25,955	37,965	38,343	378	
Special cancer research.....651	Exp.	5,118	4,590	.....	−4,590	(The program is being continued in the appropriation for the National Cancer Institute.)
Construction of mental health-neurology research facility..651	Exp.	2,083	4,742	2,582	−2,160	(Expenditures are payments of prior obligations. Completion is scheduled for January 1968.)

Grants for cancer research facilities.....651	Exp.	757	1,305	.....	−1,305	(Expenditures are payments of prior obligations.)
Total, National Institutes of Health.	NOA	977,627	1,123,050	1,187,250	64,200	
	Exp.	738,762	929,895	989,202	59,307	
National Institute of Mental Health						
Mental health research and services.....651	NOA	232,650	263,604 ^2,000	246,741	−18,863	Supplemental in 1967 is for narcotic rehabilitation. 1968 estimate provides increases for research, training, narcotic addict rehabilitation activities, and for operation of the Lexington and Fort Worth Public Health Service hospitals. Decrease results from activities transferred to Community mental health resource support.
	Exp.	164,260	194,939 ^708	217,605 ^1,292	23,250	
Community mental health resource support.....651	NOA	50,000	50,000	U100,168	50,168	Estimate includes grant funds to assist in the construction and staffing of community mental health centers and to assist States, local governments, and public and private organizations to increase efforts to solve the problems of narcotic addiction.
	Exp.	518	2,820	40,000	37,180	
Total, National Institute of Mental Health.	NOA	282,650	313,604 ^2,000	346,909	31,305	
	Exp.	164,778	197,759 ^708	257,605 ^1,292	60,430	
Other						
National health statistics.....651	NOA	7,230	9,312	9,767	455	Increases cover cause-of-death classification study and a fertility study.
	Exp.	6,214	8,038	9,767	1,729	
National Library of Medicine..651	NOA	9,684	20,192	21,162	970	Increase provides for expansion of the Library's direct operations, including the establishment of a national center of toxicological information. Construction grants for medical libraries will have $12.5 million available as a result of a $7.5 million carryover from 1967.
	Exp.	4,237	13,189	25,034	11,845	

^ Proposed for separate transmittal, other than pay supplemental.
U Includes $50,000 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Con.						
Other—Continued						
General and special funds—Continued						
Buildings and facilities.....651	NOA	8,977	18,279	10,715	−7,564	Provides for planning for a central air pollution research facility, construction of a dental health center addition, and a National Institutes of Health incinerator, and various repairs and improvements. Decrease is due to completion of nonrecurring projects.
	Exp.	17,194	31,423	32,010	587	
Scientific activities overseas (special foreign currency program) 651	NOA	5,000	10,000	18,685	8,685	Supports overseas scientific research through the use of excess foreign currencies.
	Exp.	4,707	6,500	12,000	5,500	
Retired pay of commissioned officers (indefinite).....651	NOA	7,834	10,743	13,391	2,648	Retired officers will increase from 682 to 747. Increase also reflects expanded dependents' medical care benefits.
	Exp.	7,259	9,000	12,000	3,000	
Comprehensive health planning and services.....651	NOA	.....	^4,500	143,628	139,128	Supplemental is for initial State planning under Partnership for Health. 1968 estimate will permit continuation of planning, general support of comprehensive State and local health services, and project grants to combat local, regional, or national community health problems.
	Exp.	.....	^4,490	88,000 ^10	83,520	
Proposed expansion of Partnership for Health.....651	NOA	.....	.....	^25,000	25,000	Proposed legislation will expand the attack on such problem areas as nursing and home health care, family planning, migrant health, and health services for Selective Service rejectees.
	Exp.	.....	.....	^20,000	20,000	
Office of The Surgeon General, salaries and expenses.....651	NOA	6,858	7,798	9,087	1,289	Increase will assist the Surgeon General in implementing the new programs of The Public Health Service.
	Exp.	6,389	6,900	9,200	2,300	

Public enterprise funds:						
Operation of commissaries, narcotic hospitals.....651	Exp.	13	−1	−3	−2	(Provides canteen services at 2 psychiatric hospitals.)
Intragovernmental funds:						
Public Health Service management fund.....651	Exp.	−229	.....	.....	.....	(Finances management services of the Bureaus of Health Services and Disease Prevention and Environmental Control.)
National Institutes of Health management fund.....651	Exp.	−1,337	.....	.....	.....	(Finances management services of the National Institutes of Health.)
Service and supply fund.....651	Exp.	−462	−7	−78	−71	(Finances procurement services for the Public Health Service.)
Working capital fund, narcotic hospitals.....651	Exp.	28	−10	−16	−6	(Finances occupational therapy industries for psychiatric hospital patients.)
Health professions education fund 651	Exp.	.....	−10,000	.....	10,000	(Revolving fund provides loan funds to health professions students.)
Nurse training fund.....651	Exp.	.....	−5,500	500	6,000	(Provides loan funds for student nurses.)
General research support grants 651	Exp.	−3,487	.....	.....	.....	(These grants permit research institutions to make flexible use of a portion of funds available from several appropriations.)
Advances and reimbursements.651	Exp.	−356	800	.....	−800	
Total, other Public Health Service.	NOA	45,583	76,324 A 4,500	226,435 A 25,000	170,611	
	Exp.	40,170	60,332 A 4,490	188,414 A 20,010	143,602	
Total, Public Health Service.	NOA	2,184,282	2,578,134 A 24,150 B 846 C 3,340 D 517	2,897,687 A 25,000	315,700	
	Exp.	1,536,635	1,971,353 A 19,598	2,277,448 A 24,552	311,049	

A Proposed for separate transmittal, other than pay supplemental.
B Proposed for separate transmittal, wage-board supplemental.
C Proposed for separate transmittal, civilian pay act supplemental.
D Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
SAINT ELIZABETHS HOSPITAL						
General and special funds:						
Salaries and expenses (indefinite) 651	NOA	**10,290**	**8,865** [B]383 [C]612	**9,044**	**−816**	The 1968 estimate provides for staffing improvements more than offset by an anticipated increase in reimbursements of $3.4 million for care of District of Columbia patients.
	Exp.	10,023	9,606	8,810	−796	
Buildings and facilities.....651	NOA	**1,977**	**2,298**	**1,237**	**−1,061**	The 1968 estimate provides for 10 miscellaneous construction projects.
	Exp.	1,160	2,236	3,177	941	
Intragovernmental funds:						
Advances and reimbursements.651	Exp.	31	5	13	8	
Total, Saint Elizabeths Hospital.	NOA	**12,267**	**11,163** [B]383 [C]612	**10,281**	**−1,877**	
	Exp.	11,214	11,847	12,000	153	
SOCIAL SECURITY ADMINISTRATION						
Trust funds:						
Limitation on salaries and expenses.		(488,341)	(586,483) [A] (2,086) [B] (71) [C] (11,819)	(635,260)	(34,801)	Supplemental is for moving expenses of employees. Estimate provides for a 3.3% increase in workload handled by Social Security personnel.
Limitation on construction.....		(15,048)	(43,189)	(634)	(−42,555)	Provides for planning, design, and specifications of a multilevel parking facility at headquarters and for continued progress on headquarters and district office construction already funded.

General and special funds:						
Payment to trust funds for health insurance for the aged.....651	NOA	**125,800**	**832,947** **[A] 91,103**	**906,631** **[A] 24,000**	**6,581**	Supplemental for 1967 covers general fund payments to health insurance trust funds mainly for: (1) matching of $3 per month contributions from larger than anticipated number of aged who enrolled in the supplementary medical insurance program, and (2) higher than anticipated administrative costs for the uninsured in 1966 and 1967. The 1968 estimate reflects decline in number of uninsured and 300,000 increase in supplementary medical enrollees. Additional payments will be required under proposed legislation to extend the program to disabled beneficiaries of social security and railroad retirement systems.
	Exp.	.....	858,747 [A] 91,103	906,631 [A] 24,000	−19,219	
Payment to trust funds for military service credits.....659	NOA	**105,000**	**105,000**	**105,000**	.....	Provides for 3d of 50 installments to pay the Government's obligation to the old-age survivors, disability, and hospital insurance funds for costs resulting from past military service.
	Exp.	.....	210,000	105,000	−105,000	
Public enterprise funds:						
Operating funds, Bureau of Federal Credit Unions.....659	Exp.	−44	97	57	−40	(The chartering, supervision, and examination of Federal credit unions are financed by fees for services performed.)
Intragovernmental funds:						
Advances and reimbursements.659	Exp.	−7	5	.....	−5	
Total, Social Security Administration.	NOA	**230,800**	**937,947** **[A] 91,103**	**1,011,631** **[A] 24,000**	**6,581**	
	Exp.	−51	1,068,849 [A] 91,103	1,011,688 [A] 24,000	−124,264	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
WELFARE ADMINISTRATION						
General and special funds:						
Grants to States for public assistance:						
(For medical assistance) . . .651	NOA	786,105	787,900 [A] 272,600	1,252,700	192,200	A supplemental in 1967 is required to cover increased costs, mainly for medical care. Increased 1968 expenditures result from expansion of Medicaid from 30 States in 1967 to 48 in 1968. Additional 1968 nonmedical cost increases are for expanding caseload, higher cash payments, and increased costs of State and local services, training, and administration.
	Exp.	769,534	765,600 [A] 272,600	1,217,800	179,600	
(For cash assistance) 653	NOA	2,816,895	2,912,100 [A] 8,900	2,987,300	66,300	
	Exp.	2,758,000	2,878,719 [A] 8,900	2,912,200	24,581	
Proposed legislation:						
Revisions in medical assistance 651	NOA	----------	----------	[A] −35,000	−35,000	Proposed legislation will: (1) give greater assurance that Federal grants will be used only on behalf of needy individuals whose medical bills are not met through other means; (2) assure that money payments more nearly meet economic needs of recipients; (3) require all States to provide assistance to families with children who are impoverished due to parental unemployment; and (4) improve incentives and work and training programs to assist recipients to achieve independence.
	Exp.	----------	----------	[A] −35,000	−35,000	
Improvements in cash assistance 653	NOA	----------	----------	[A] 60,000	60,000	
	Exp.	----------	----------	[A] 58,000	58,000	
Total, grants to States for public assistance.	NOA	3,603,000	3,700,000 [A] 281,500	[V] 4,240,000 [A] 25,000	283,500	
	Exp.	3,527,534	3,644,319 [A] 281,500	4,130,000 [A] 23,000	227,181	
Assistance for repatriated U.S. nationals 653	NOA	452	460	[W] 525	65	Provides assistance to mentally ill and other indigent repatriates.
	Exp.	343	400	471	71	

Bureau of Family Services, salaries and expenses.....653	NOA	6,927	7,890	8,589	699	The increase is primarily for additional staff to work with States to improve medical care, social service, and staff development programs, and to achieve better public assistance administration; to review State and local activities to help assure that actual operations conform to laws and regulations; and to expand and improve data collection.
	Exp.	5,949	7,491	8,489	998	
Grants for maternal and child welfare.....651	NOA	187,000	228,900	239,320	10,420	Increase in 1968 expands comprehensive health care grants for school and preschool children and grants for training professional personnel for the care of crippled children. Proposed legislation will provide periodic health examinations to detect and treat handicapping conditions, establish pilot projects to concentrate on innovation in delivering child health care and training medical assistants, develop dental care programs for children, and increase funds for maternity and infant care projects.
	Exp.	151,382	204,700	230,600	25,900	
Proposed improvements in child health.....651	NOA	.....	.....	[A] 38,000	38,000	
	Exp.	.....	.....	[A] 33,000	33,000	
Children's Bureau, salaries and expenses.....651	NOA	4,825	5,331	6,485	1,154	The increase provides for increased consultation and services for the States and local communities and for program evaluation.
	Exp.	4,553	5,066	6,400	1,334	
Juvenile delinquency and youth offenses.....659	NOA	6,750	8,207	.....	−8,207	Legislation expires June 30, 1967. New proposal for combating juvenile delinquency and for stimulating youth development activities will be submitted at a later date.
	Exp.	7,909	8,535	5,039	−3,496	
Cooperative research or demonstration projects.....653	NOA	1,882	3,150	4,170	1,020	The estimate supports 55 (53 in 1967) grantee-submitted research projects aimed primarily at reducing dependency, and directed research to evaluate selected programs.
	Exp.	1,334	1,980	4,200	2,220	
Research and training (special foreign currency program)..651	NOA	1,200	1,500	1,500	.....	Excess foreign currencies will be used to undertake studies in maternal and child health and in social welfare programs in 10 foreign countries.
	Exp.	535	1,300	1,600	300	
Office of the Commissioner, salaries and expenses.....653	NOA	1,292	1,522	1,888	366	Increase will provide leadership and coordination of Welfare Administration programs in the field, and provide additional resources for appraisal and evaluation of program operations.
	Exp.	1,123	1,464	1,850	386	

[A] Proposed for separate transmittal, other than pay supplemental.
[V] Includes $115,700 thousand to carry out authorizing legislation to be proposed.
[W] Includes $93 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
WELFARE ADMINISTRATION—Continued						
General and special funds—Continued						
Assistance to refugees in the United States.....653	NOA	42,600	51,000	49,000	1,467	Increase due to financial assistance, education, and health services costs as number of Cuban refugees, since new influx began in October 1965, increases from 29,600 on June 30, 1966, to 81,600 on June 30, 1967, and to 133,600 on June 30, 1968.
Reappropriation.....	NOA	.....	1,033	4,500		
	Exp.	30,220	43,245	51,276	8,031	
Total, Welfare Administration.	NOA	3,855,928	4,008,993 A281,500	4,555,977 A63,000	328,484	
	Exp.	3,730,882	3,918,500 A281,500	4,439,925 A56,000	295,925	
ADMINISTRATION ON AGING						
Coordination and development of programs for the aging.....659	NOA	7,500	10,275	X18,450	8,175	Increase will provide support for additional project grants to improve services for the aged, including pilot projects for nutrition services.
	Exp.	2,191	7,500	16,765	9,265	
SPECIAL INSTITUTIONS						
American Printing House for the Blind						
Education of the blind.....704	NOA	1,000	1,028	1,225	197	Increase reflects larger school enrollment of blind children as well as increases in per capita costs.
	Exp.	992	1,028	1,225	197	

National Technical Institute for the Deaf						
National Technical Institute for the Deaf.....704	NOA	420	491	2,615	2,124	Provides for site acquisition, architectural engineering, and operational planning of postsecondary technical institute for the deaf.
	Exp.	55	250	500	250	
Model Secondary School for the Deaf						
Salaries and expenses.....701	NOA	.....	.....	425	425	For operational planning of an exemplary secondary school for the deaf.
	Exp.	.....	.....	335	335	
Construction.....701	NOA	.....	.....	275	275	To initiate construction planning.
	Exp.	.....	.....	40	40	
Total, Model Secondary School for the Deaf.	NOA	.....	.....	700	700	
	Exp.	.....	.....	375	375	
Gallaudet College						
Salaries and expenses.....702	NOA	2,301	2,520 [C] 34	2,878	324	Increases provide for 12% increase in enrollment, improvement of laboratory schools, and revision of faculty salary schedule.
	Exp.	2,427	2,500	2,800	300	
Construction.....702	NOA	384	70	2,196	2,126	Provides for construction of a dormitory and a classroom addition.
	Exp.	1,193	400	560	160	
Total, Gallaudet College....	NOA	2,685	2,590 [C] 34	5,074	2,450	
	Exp.	3,620	2,900	3,360	460	
Howard University						
Salaries and expenses.....702	NOA	11,198	13,344 [C] 190	15,300	1,766	Increase provides for 5% enrollment growth in liberal arts and improvement of graduate schools of medicine, dentistry, engineering, and architecture.
	Exp.	10,867	13,400	14,900	1,500	
Construction.....702	NOA	2,920	3,342	23,111	19,769	Provides primarily for construction of a university hospital and a women's dormitory.
	Exp.	1,069	2,500	3,875	1,375	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[X] Includes $16,950 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
SPECIAL INSTITUTIONS—Continued						
Howard University—Continued						
General and special funds—Continued						
Salaries and expenses, Freedmen's Hospital 651	NOA	**4,624**	**6,193** [B] 33 [C] 163	**6,700**	**311**	Provides increased staffing to improve patient care.
	Exp.	4,359	5,800	6,350	550	
Total, Howard University ...	NOA	**18,742**	**22,879** [B] 33 [C] 353	**45,111**	**21,846**	
	Exp.	16,295	21,700	25,125	3,425	
Total, special institutions	NOA	**22,847**	**26,988** [B] 33 [C] 387	**54,725**	**27,317**	
	Exp.	20,962	25,878	30,585	4,707	
OFFICE OF THE SECRETARY						
Salaries and expenses, Office of the Secretary 659	NOA	**3,789**	**7,422** [C] 163	**8,088**	**503**	Increase provides additional staff for executive direction, program coordination, and civil rights compliance.
	Exp.	3,751	7,194	7,728	534	
Limitation payable from social security trust funds.		(501)	(1,249) [C] (23)	(1,211)	(−61)	
Salaries and expenses, Office of Field Coordination 659	NOA	**1,785**	**1,925** [C] 72	**2,418**	**421**	Increase is for better coordination of programs in the field and regional office management services to meet increased workloads.
	Exp.	1,894	1,757	1,803	46	
Limitation payable from social security trust funds and Bureau of Federal Credit Unions operating fund.		(1,631)	(1,780) [C] (25)	(2,095)	(290)	

Salaries and expenses, Office of the Comptroller.....659	NOA	3,493	4,394 [C] 95	6,842	2,353	Increasing number and complexity of agency programs require additional audit staff for this centralized financial management unit.
	Exp.	2,751	4,040	6,846	2,806	
Limitation payable from social security trust funds.		(510)	(678) [C] (10)	(991)	(303)	
Salaries and expenses, Office of Administration.....659	NOA	.....	.....	2,547	2,547	Proposed new appropriation provides for increased staff support for administrative management activities.
	Exp.	.....	.....	2,200	2,200	
Limitation payable from social security trust fund.		.....	.....	(271)	(271)	
Surplus property utilization...659	NOA	1,073	1,093 [C] 30	1,119	−4	Provides for distribution of surplus real and personal property to State agencies for education, public health, and civil defense purposes.
	Exp.	1,049	1,115	1,110	−5	
Salaries and expenses, Office of the General Counsel.....659	NOA	1,592	1,737	1,974	237	Increase provides additional legal staff to meet new program responsibilities.
	Exp.	1,314	1,332	1,910	578	
Limitation payable from social security trust fund and Food and Drug Administration revolving fund.		(1,115)	(1,330)	(1,373)	(43)	
Higher education for international understanding.....702	NOA	.....	[A] 350	36,525	36,175	Supplemental is to establish Center for Educational Cooperation. Increase in 1968 reflects new grant program and transfer of related programs from the Office of Education.
	Exp.	.....	[A] 305	4,010 [A] 45	3,750	
Educational television facilities 704	NOA	8,826	3,304	304 [A] 20,000	17,000	Authority for educational television transmission facilities grants expires June 30, 1967. Legislation will be proposed to extend and broaden Federal support for educational television.
	Exp.	4,663	8,150	8,000 [A] 12,000	11,850	
Emergency health and welfare activities.....059	NOA	.....	10,000	12,500	2,500	Continues the reorientation toward reliance on existing community facilities, including particularly the buildup of backup hospital inventories of vital medical supplies.
	Exp.	15,082	9,000	10,000	1,000	
Intragovernmental funds:						
Working capital fund.....659	Exp.	767	−463	−278	185	(Provides centralized management services.)

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
OFFICE OF THE SECRETARY—Continued						
Intragovernmental funds—Continued						
Advances and reimbursements.659	Exp.	−20	−15	----------	15	
Total, Office of the Secretary.	NOA	20,558	29,875 A 350 C 360	72,317 A 20,000	61,732	
	Exp.	31,250	32,110 A 305	43,329 A 12,045	22,959	
Total, Department of Health, Education, and Welfare.	NOA	9,966,040	11,881,053 A 427,297 B 1,262 C 6,773 D 517	13,085,092 A 179,000	947,190	
	Exp.	7,552,452	10,328,446 A 409,706 B 1,214 C 6,453 D 517	11,687,021 A 51,591 B 48 C 320	992,644	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
RENEWAL AND HOUSING ASSISTANCE						
General and special funds:						
Grants for neighborhood facilities 553	NOA	12,000	17,000	42,000	25,000	The estimate will support construction of 185 facilities for social, health, and recreational services in low-income neighborhoods.
	Exp.	----------	3,000	15,000	12,000	
Alaska housing.....551	NOA	----------	----------	1,000	1,000	The estimate is for a new program of grants and loans to the State of Alaska for housing for low-income residents.
	Exp.	----------	----------	100	100	

Salaries and expenses:						
(Public housing programs) ..552	NOA	----------	----------	16,893	16,893	This new account is for the administrative costs of renewal and housing assistance programs previously financed from other accounts.
	Exp.	----------	----------	16,893	16,893	
(Urban renewal and community facilities) 553	NOA	----------	----------	15,880	15,880	
	Exp.	----------	----------	15,880	15,880	
Total, salaries and expenses.	NOA	----------	----------	32,773	32,773	
	Exp.	----------	----------	32,773	32,773	
Public enterprise funds:						
Urban renewal programs.....553	NOA	13,745	15,000 [C] 395	----------	259,605	Appropriation of $750 million already enacted will support 292 new urban renewal and related projects. The additional $250 million is for projects in approved model cities programs. Administrative expenses will be funded from new salaries and expenses accounts. The budget includes $750 million advance appropriation for 1969.
Contract authorization:						
Current.....	NOA	675,000	----------	250,000		
Permanent.....	NOA	----------	725,000	750,000		
Liquidation of contract authorization.		(1,100,500)	(725,000)	(1,000,000)	(275,000)	
	Exp.	356,720	412,321	469,425	57,104	
Rehabilitation loan fund.....551	NOA	41,362	1,370 [C] 26	----------	−1,396	Appropriation in 1966 will provide $30 million in 1968 for 6,000 urban renewal rehabilitation loans. Administrative expenses will be funded from new salaries and expenses accounts.
	Exp.	1,830	11,396	22,000	10,604	
Low-rent public housing:						
Annual contributions.....552	NOA	220,000	250,000 [A] 9,000	290,000	31,000	Supplemental in 1967 and increase in 1968 reflect dwellings eligible for annual contributions increasing from 618,501 in 1966 to 669,251 in 1967 and 729,251 in 1968. Administrative expenses will be funded from new salaries and expenses accounts.
Administrative expenses....552	NOA	17,405	18,800 [C] 150	----------	−18,950	
	Exp.	236,746	259,350 [A] 5,600	271,600 [A] 3,400	10,050	
Limitation on nonadministrative expenses.		(1,200)	(1,123)	----------	(−1,123)	
Housing for the elderly or handicapped fund.....551	NOA	50,000	80,000	80,000	1,245	The estimate will permit continuation of $85 million of loan approvals for 6,900 units of rental housing for elderly or handicapped persons with low or moderate incomes. Increase is for payment of insufficiencies on participations to be sold in 1968.
Payment of participation sales insufficiencies (permanent, indefinite).	NOA	----------	----------	1,245		
	Exp.	49,902	60,035	−23,878	−83,913	
Limitation on administrative expenses.		(1,075)	(1,200) [C] (35)	(1,242)	(7)	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
RENEWAL AND HOUSING ASSISTANCE—Continued						
Public enterprise funds—Continued						
College housing loans: 702						
Authorization to spend debt receipts:						
Current	NOA	300,000			330,915	Borrowing authority provided in the Housing and Urban Development Act of 1965 will be used under proposed legislation providing a new interest rate to help assure that loans are made to colleges which cannot borrow privately at reasonable interest rates. Loan approvals of $300 million will help provide living spaces for 50,000 college students. Change in expenditures and payment of participation sales insufficiencies result from further sales of participations.
Permanent	NOA			300,000		
Payment of participation sales insufficiencies (permanent, indefinite).	NOA		7,365	38,280		
	Exp.	312,359	−253,092	−1,262,131	−1,009,039	
Limitation on administrative expenses.		(1,975)	(2,035) C (60)	(2,270)	(175)	
Total, renewal and housing assistance.	NOA	1,329,512	1,114,535 A 9,000 C 571	1,785,298	661,192	
	Exp.	957,557	493,010 A 5,600	−475,111 A 3,400	−970,321	
METROPOLITAN DEVELOPMENT						
General and special funds:						
Urban planning grants 553	NOA	26,837	33,000	50,000	17,000	Increased estimate is for comprehensive planning assistance to 835 State, local, metropolitan, and regional planning bodies.
	Exp.	20,050	22,000	30,000	8,000	
Metropolitan development incentive grants 553	NOA			30,000	30,000	This new account is for incentive grants for certain Federal-aid projects in metropolitan areas which show that areawide development activities are carried out in accordance with areawide comprehensive planning.
	Exp.			7,000	7,000	

Open space land programs....553	NOA	475	800 [C]25	----------	−825	Contract authorization provided in 1966 will support $127 million of grant approvals to preserve 72,000 acres of urban open space, create 150 small urban parks and carry out related activities. Administrative expenses will be funded from new salaries and expenses accounts.
Contract authorization.....	NOA	235,000	----------			
Liquidation of contract authorization.		(49,000)	(54,200)	(125,000)	(70,800)	
	Exp.	8,387	29,325	57,800	28,475	
Grants for basic water and sewer facilities.....553	NOA	100,000	100,000	165,000	65,000	The increase will enable grants to be approved for water and sewer projects in over 300 communities.
	Exp.	----------	40,000	110,000	70,000	
Grants to aid advance acquisition of land.....553	NOA	5,000	----------	----------	----------	The appropriation in 1966 will support grants in 1968 to localities to pay interest costs on 5-year loans for acquisition of land to be used for future public facilities.
	Exp.	----------	----------	200	200	
Salaries and expenses, metropolitan development.....553	NOA	----------	----------	6,430	6,430	This new account is for administrative costs for metropolitan development programs previously funded from other accounts.
	Exp.	----------	----------	6,430	6,430	
Public enterprise funds:						
Public works planning fund...553	NOA	15,000	----------	----------	----------	Repayments of previous advances will fund $9.5 million of approvals without additional new obligational authority.
	Exp.	8,887	12,000	10,000	−2,000	
Urban mass transportation fund 553	NOA	135,455	720 [C]15	----------	−5,735	Appropriation, already enacted, will support $140 million of grants for construction and improvement of urban mass transportation systems and related activities. Budget proposes $230 million advance appropriation for 1969.
Permanent.....	NOA	----------	130,000	125,000		
	Exp.	18,660	56,215	110,000	53,785	
Public facility loans:						
Payment of participation sales insufficiencies (permanent, indefinite).....553	NOA	----------	835	2,590	1,755	Increase will pay insufficiencies on a larger number of participation certificates outstanding. Existing authority will support $50 million of loan approvals in 1968.
	Exp.	29,087	−30,365	−23,633	6,732	
Limitation on administrative expenses.		(1,270)	(1,175) [C](35)	(1,187)	(−23)	
Revolving fund (liquidating programs).....551	Exp.	−3,891	−902	−686	216	(This fund liquidates assets acquired under expired programs.)
Limitation on administrative expenses.		(110)	(110)	(100)	(−10)	
Total metropolitan development.	NOA	517,767	265,355 [C]40	379,020	113,625	
	Exp.	81,180	128,273	307,111	178,838	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
DEMONSTRATIONS AND INTERGOVERNMENTAL RELATIONS						
General and special funds:						
Comprehensive city demonstration programs.....553	NOA	.....	11,000	412,000	401,000	Increase is for supplemental grants to over 70 cities for programs marshaling all resources to convert large blighted areas into attractive neighborhoods.
	Exp.	.....	6,000	149,500	143,500	
Urban information and technical assistance.....553	NOA	.....	.....	6,000	6,000	This new program is for grants to States to help provide smaller communities with information and technical assistance relating to urban problems.
	Exp.	.....	.....	1,500	1,500	
Community development training programs.....553	NOA	.....	.....	5,000	5,000	The estimate initiates a program of grants to States for training (and related research) in community development skills.
	Exp.	.....	.....	1,250	1,250	
Fellowships for city planning and urban studies.....553	NOA	.....	500	E 500	.....	The 1968 request will provide fellowships to graduate students in city planning and related fields.
	Exp.	.....	30	250	220	
Urban research and technology.....553	NOA	750	500	20,000	19,500	The increase is to begin a major program of research into urban and housing problems, including the application of technological advances in these fields.
	Exp.	323	750	7,500	6,750	
Low-income housing demonstration programs.....551	NOA	47	75	.....	−75	Existing contract authority will allow continuation of grants for testing and demonstrating new and improved methods of housing low-income families. Administrative expenses will be funded from new salaries and expenses account.
Contract authorization.....	NOA	5,000	.....			
Liquidation of contract authorization.		(1,228)	(1,500)	(2,500)	(1,000)	
	Exp.	1,337	1,575	2,000	425	
Housing and building codes, zoning, tax policies, and development standards.....551	NOA	.....	1,500	.....	−1,500	The study of how Federal, State, and local policies might be changed to help meet housing and urban development needs will be completed in 1968 with funds provided in 1967.
	Exp.	.....	750	750	.....	

Natural disaster study.....551	NOA	1,000	.....	.....	.....	The study of methods for providing financial assistance to those suffering property losses in natural disasters wi be completed with funds already appropriated.
	Exp.	199	801	.....	−801	
Salaries and expenses, demonstrations and intergovernmental relations.....553	NOA	.....	.....	3,350	3,350	This new account is for the administrative costs of demonstration and intergovernmental relations program which were previously funded from other accounts.
	Exp.	.....	.....	3,350	3,350	
Total, demonstrations and intergovernmental relations.	NOA	6,797	13,575	446,850	433,275	
	Exp.	1,859	9,906	166,100	156,194	
MORTGAGE CREDIT						
Federal Housing Administration						
Rent supplement program....551	NOA	550	2,900	6,150	3,250	Increase reflects an increased number of housing units occupied. Approval is requested for an increase of $40 million in the maximum annual payment that may be provided in rent supplement contracts to help provide an additional 44,500 units for low income families.
	Exp.	252	2,270	6,150	3,880	
Public enterprise funds:						
Community disposal operations fund.....552	Exp.	−3,964	−1,555	−9,815	−8,260	(Sales of properties and mortgages will exceed costs connected with selling properties at Los Alamos, N. Mex.)
Federal Housing Administration fund.....551	Exp.	191,189	122,466	16,448	−106,018	(Increased receipts from premiums, fees, and sales of property acquired in connection with defaults of insured mortgages will offset insurance claim payments and other expenses to a greater extent than in 1967. Mortgage insurance outstanding is estimated at $56 billion at the end of 1967. Increased applications will require increased operating expenses.)
Limitation on administrative expenses.		(10,330)	(10,500) [C](300)	(11,125)	(325)	
Limitation on nonadministrative expenses.		(81,850)	(85,000)	(88,500)	(3,500)	

[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
MORTGAGE CREDIT—Continued						
Federal National Mortgage Association						
Public enterprise funds—Continued						
Loans to secondary market operations fund (authorization to spend debt receipts) 551	NOA		**110,000**		**−110,000**	Legislation for 1967 provided increased authority for Treasury purchase of preferred stock in the FNMA secondary market operations, use of which will not be needed in 1967 or 1968.
	Exp.	91,820				
Special assistance functions (authorization to spend debt receipts) 551						
Current	NOA	**100,000**	**500,000**		**50,000**	Program of $927 million of reservations and commitments for mortgage purchases in 1968 is mainly for low- and moderate-income housing. Expenditure increase reflects greater purchases of these mortgages and fewer participation sales.
Permanent	NOA			**550,000**		
	Exp.	−313,525	−69,000	185,000	254,000	
Management and liquidating functions 551	Exp.	−114,120	−34,000	−235,500	−201,500	(Decreased expenditures reflect lesser need to acquire mortgages on sales of FHA-acquired homes as private financing becomes more readily available.)
Participation sales fund:						
(Aids to private housing) 551	Exp.	−56,035	−30,400	−31,100	−700	(This trustee account holds collections on loan obligations of FNMA, VA, and SBA placed in pools for participation sales made before June 30, 1966, and distributes principal and interest payments to certificate holders. Current sales are reflected in the Participation sales trust fund.)
(Veterans readjustment benefits) 803	Exp.	−63,225	−24,500	−18,100	6,400	
(Advancement of business) 506	Exp.	−9,859	−25,230	−27,330	−2,100	
Limitation on administrative expenses.		(8,800)	(9,931)	(9,600)	(331)	
Total, mortgage credit	NOA	**100,550**	**612,900**	**556,150**	**−56,750**	
	Exp.	−277,467	−59,949	−114,247	−54,298	

DEPARTMENTAL MANAGEMENT

General and special funds:						
General administration 553	NOA			4,510	4,510	This new account is for the administrative costs of overall departmental supervision, previously financed from other accounts.
	Exp.			4,510	4,510	
Regional management and services 553	NOA			5,563	5,563	This new account will finance costs of the management of regional offices and certain common regional programs, which were previously financed from other accounts.
	Exp.			5,563	5,563	
Office building equipment and furnishings 553	NOA		575		−575	The 1967 appropriation was for new equipment and furnishings for the headquarters office building being constructed in Washington.
	Exp.		50	525	475	
Salaries and expenses, Office of the Secretary 553	NOA	5,854	8,359 [C] 215		−8,574	This account funded the administrative costs of various activities and services which are now being funded from new accounts.
	Exp.	3,449	9,415	2,089	−7,326	
Administrative expenses, public works acceleration 507	NOA	500				(All work under this program has been completed.)
	Exp.	500				
Intragovernmental funds:						
Administrative operations fund 553	Exp.			−2,350	−2,350	(Funds available for operating costs are consolidated into a single fund to facilitate financing of complex operations.)
Working capital fund 551	NOA			1,500	1,500	The estimate is to provide equipment and working capital for a new fund to handle certain consolidated services for the Department.
	Exp.			106	106	
Total, departmental management.	NOA	6,354	8,934 [C] 215	11,573	2,424	
	Exp.	3,949	9,465	10,443	978	
Total, Department of Housing and Urban Development.	NOA	1,960,981	2,015,299 [A] 9,000 [C] 826	3,178,891	1,153,766	
	Exp.	767,080	579,887 [A] 5,600 [C] 818	−105,712 [A] 3,400 [C] 8	−688,609	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR						
PUBLIC LAND MANAGEMENT						
Bureau of Land Management						
General and special funds:						
Management of lands and resources 401	NOA	50,529	49,347 [A] 6,500 [C] 926	49,573	−7,200	A 1967 supplemental for firefighting and rehabilitation is provided. The 1968 program continues essential realty, mineral leasing and records services, records improvement, land classification, range management, soil and watershed conservation, and fire protection work. Timber sale offerings are estimated at 1.5 billion board feet with anticipated receipts of $51.4 million. Cadastral surveying in Alaska will be increased to help keep townsite and small tract surveys current.
	Exp.	50,497	50,200 [A] 6,126	48,725 [A] 374	−7,227	
Construction and maintenance 401	NOA	3,150	3,032	4,300	1,268	Provides for construction of sanitation and protection facilities and necessary warehouses, equipment sheds, office buildings, and other facilities required to carry out the Bureau's programs.
	Exp.	2,054	2,100	3,000	900	
Oregon and California grant lands:						
Receipt limitation, indefinite 401	NOA	9,594	11,875	11,625	−250	A sum equal to 25% of revenues from these lands is available for road construction and maintenance, reforestation, protection, and the development and maintenance of recreation facilities.
Definite	NOA	6,320				
	Exp.	18,898	20,750	12,200	−8,550	
Public lands development roads and trails: 401						
Contract authorization:						
Current	NOA	----------	3,000	----------	2,000	About 250 miles of road grading and 58 miles of road surfacing are planned in 1968.
Permanent	NOA	2,000	----------	5,000		
Liquidation of contract authorization.		(2,000)	(2,000)	(3,000)	(1,000)	
	Exp.	2,764	1,744	3,500	1,756	

Range improvements (receipt limitation, indefinite) 401	NOA	1,346	1,474	1,582	108	A sum usually equal to 33% of grazing revenues is used for range improvements.
	Exp.	1,347	1,300	1,420	120	
Permanent appropriations:						
General fund 401	NOA	220	243	267	24	Revenues from mineral leasing, sale of timber, grazing leases and permits, and other public domain revenue-producing operations are used in resource programs, or are paid to the States and counties in various proportions as specified by law.
Special fund	NOA	1,507	1,619	1,684	65	
	Exp.	1,821	2,262	2,345	83	
Special fund 402	NOA	20,221	21,933	24,801	2,868	Permanent appropriation of receipts from land and water resources are devoted, in general, to improvements of roads, recreation facilities, and grazing lands. Those from forest resources may be used for expenses of timber sales, or for State or county roads, schools, etc. Mineral revenues are largely paid to States for educational and other uses.
	Exp.	20,220	21,327	24,195	2,868	
General fund 403	NOA	3	4	10	6	
Special fund	NOA	47,078	48,218	49,200	982	
	Exp.	46,948	48,222	49,210	988	
Intragovernmental funds:						
Advances and reimbursements 401	Exp.	.....	−31	31	62	
Total, Bureau of Land Management.	NOA	141,970	140,745 [A] 6,500 [C] 926	148,042	−129	
	Exp.	144,548	147,874 [A] 6,126	144,626 [A] 374	−9,000	
Bureau of Indian Affairs						
General and special funds:						
Education and welfare services:						
Appropriation 704	NOA	105,997	115,734 [C] 1,789	128,178	10,655	The increase provides for an additional 668 students and basic improvements in Federal Indian schools, 2,824 more persons in the vocational training program, and an expanded effort for repair of substandard Indian dwellings.
Contract authorization (permanent, indefinite) 704	NOA	1,100	1,300	1,300	.....	
Liquidation of contract authorization.		(1,040)	(1,100)	(1,300)	(200)	
	Exp.	103,902	106,361	124,708	18,347	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
PUBLIC LAND MANAGEMENT—Con.						
Bureau of Indian Affairs—Continued						
General and special funds—Continued						
Resources management 401	NOA	43,535	44,027 A 300 C 800	47,608	2,481	The 1967 supplemental is for firefighting. The increase is primarily for maintenance of new schools and for the mutual-help and low-rent housing program.
	Exp.	43,216	40,518 A 200	44,779 A 100	4,161	
Construction 401	NOA	35,117	56,063	40,407	−15,656	The estimate includes construction of 15 new schools, additions to 4 existing schools, and construction of utility, irrigation, and water pollution control facilities.
	Exp.	53,706	44,320	49,000	4,680	
Road construction:						
Contract authorization:						
Current 401	NOA	----------	19,000	----------	4,000	The 1968 program includes 446 miles of grading and draining and 613 miles of surfacing.
Permanent	NOA	18,000	----------	23,000		
Liquidation of contract authorization.		(17,445)	(16,889)	(19,000)	(2,111)	
	Exp.	18,821	17,199	19,000	1,801	
General administrative expenses 409	NOA	4,623	4,477 C 150	4,627	----------	Administration is continued at the present level. The administration of common services is partially financed on a benefit basis from other bureau activities.
	Exp.	4,420	4,571	4,620	49	
Menominee educational grants 704	NOA	44	----------	----------	----------	The 1966 amount was the last of 5 grants to cushion the termination of Federal services to the Menominee Tribe.
	Exp.	44	----------	----------	----------	
Claims and treaty obligations (permanent, indefinite) 409	NOA	193	161	161	----------	Payments are authorized to meet treaty obligations with certain Indian tribes.
	Exp.	197	170	161	−9	
Other miscellaneous appropriations (permanent, indefinite, special funds) 401	NOA	6,780	6,620	6,920	300	Increase caused by increased revenues in 1968. Revenue from irrigation and electric power projects is used to operate and maintain the projects.
	Exp.	6,640	5,881	6,624	743	
409	NOA	30	10	10	----------	Revenue from mineral deposits is used for acquisition of lands and loans to Indians in Oklahoma.
	Exp.	4	106	10	−96	

Proposed Indian programs....401	NOA	----------	----------	[A]30,000	30,000	Amounts will be proposed to implement plans now being developed for further improvements of programs for Indian people.
	Exp.	----------	----------	[A]15,000	15,000	
Public enterprise funds:						
Revolving fund for loans.....401	NOA	----------	----------	450	450	The increase is for loans to tribes for hiring expert witnesses to appear in cases before the Indian Claims Commission.
	Exp.	−399	2,929	995	−1,934	
Liquidation of Hoonah housing project revolving fund.....409	Exp.	----------	109	3	−106	(Balances are being used for liquidation.)
Intragovernmental funds:						
Advances and reimbursements.409	Exp.	366	636	----------	−636	
Total, Bureau of Indian Affairs.	NOA	215,420	247,392 [A]300 [C]2,739	252,661 [A]30,000	32,230	
	Exp.	230,917	222,800 [A]200	249,900 [A]15,100	42,000	
Bureau of Outdoor Recreation						
General and special funds:						
Salaries and expenses.....405	NOA	3,464	3,910 [C]80	4,240	250	Increase provides for additional special area recreation studies and services for the President's Citizens Advisory Committee and Council on Recreation and Natural Beauty.
	Exp.	3,508	3,994	4,230	236	
Land and water conservation:						
Special fund.....405	NOA	122,110	109,965	110,000	32,035	Estimate covers all anticipated receipts and, in addition, an advance appropriation of $32 million, to be used for Federal acquisition of recreation lands and for assistance to States for planning, acquisition, and development of recreation areas.
General fund.....	NOA	----------	----------	32,000		
	Exp.	13,224	57,972	101,456	43,484	
Intragovernmental funds:						
Advances and reimbursements.405	Exp.	−22	34	----------	−34	
Total, Bureau of Outdoor Recreation.	NOA	125,574	113,875 [C]80	146,240	32,285	
	Exp.	16,710	62,000	105,686	43,686	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
PUBLIC LAND MANAGEMENT—Con.						
Office of Territories						
General and special funds:						
Administration of territories..910	NOA	17,079	10,513	15,613	5,100	Increases in grants to Guam for capital improvements and to Samoa for operating expenses are only partially offset by a decrease in grants to Samoa for construction.
	Exp.	16,868	22,000	19,424	−2,576	
Trust Territory of the Pacific Islands.....910	NOA	17,447	17,494 A 5,000	17,500 A 12,500	7,506	Increases are proposed for separate transmittal in 1967 and 1968 which would allow higher grants for operations and capital improvements in the trust territory.
	Exp.	16,593	21,877	17,100 A 8,476	3,699	
Claims of inhabitants of Rongelap Atoll, Office of Territories..910	Exp.	901	49	.....	−49	(Final payment on claims will be made in 1967.)
Internal revenue collections for Virgin Islands (permanent, indefinite, special fund).....910	NOA	10,406	11,074	10,000	−1,074	Payments are made to the Virgin Islands equal to taxes collected on island products sold in the United States.
	Exp.	10,406	11,074	10,000	−1,074	
Total, Office of Territories..	NOA	44,932	39,081 A 5,000	43,113 A 12,500	11,532	
	Exp.	44,768	55,000	46,524 A 8,476	.....	
Total, public land management.	NOA	527,896	541,093 A 11,800 C 3,745	590,056 A 42,500	75,918	
	Exp.	436,943	487,674 A 6,326	546,736 A 23,950	76,686	

MINERAL RESOURCES

Geological Survey

Surveys, investigations, and research 409	NOA	73,191	79,968 [C] 1,577	88,199	6,654	Estimate provides for increased emphasis on urban and heavy-use area topographic mapping, research on heavy metals in short supply, earthquake research, wilderness surveys, marine studies, urban hydrology studies, and the International Hydrological Decade.
	Exp.	75,177	79,706	86,622	6,916	
Lead and zinc stabilization program 403	Exp.	36	377	378	1	(Payments to small lead and zinc producers to stabilize mining operations.)
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40(d) (permanent, indefinite, special fund) 401	NOA	1	1	----------	−1	Receipts are appropriated to maintain and develop water wells on the public domain.
	Exp.	----------	3	----------	−3	
Intragovernmental funds:						
Advances and reimbursements 409	Exp.	−941	−86	−1,000	−914	
Total, Geological Survey	NOA	73,192	79,969 [C] 1,577	,199	6,653	
	Exp.	74,271	80,000	86,000	6,000	

Bureau of Mines

General and special funds:						
Conservation and development of mineral resources 403	NOA	32,383	34,738 [C] 355	39,825	4,732	Increased research in tunneling technology, air pollution, oil shale, and minerals studies exceeds decreases in metallurgical research and mineral resource development programs.
	Exp.	32,251	25,025	35,540	10,515	
Health and safety 652	NOA	9,599	9,590 [C] 105	10,821	1,126	Increases are made necessary by increased responsibilities under recent legislation covering safety of metal mines and smaller coal m nes.
	Exp.	9,742	7,175	9,500	2,325	
Construction 403	Exp.	39	----------	----------	----------	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
MINERAL RESOURCES—Continued						
Bureau of Mines—Continued						
General and special funds—Continued						
General administrative expenses 403	NOA	1,551	1,492 C 40	1,616	84	Increase reflects support of expanded conservation and development program.
	Exp.	1,494	1,400	1,720	320	
Drainage of anthracite mines 403	Exp.	312	200	524	324	(Increase in expenditures reflects expectation of increase in number of joint State-Federal projects.)
Appalachian region mining area restoration 403	NOA	----------	6,972	800	−6,172	Decrease made possible by large probable carryover balance due to delay in obligating presently available funds.
	Exp.	447	2,252	11,000	8,748	
Solid waste disposal 403	NOA	1,400	4,300	3,232	−1,068	Decrease reflects progress in research on disposal of junked motor vehicles.
	Exp.	374	1,400	4,500	3,100	
Public enterprise funds:						
Helium fund (authorization to spend debt receipts) 403	NOA	16,000	26,000	18,200	−7,800	Decrease in Treasury borrowing reflects recent increase in receipts from helium sales in 1966 and 1967.
	Exp.	19,282	27,548	27,216	−332	
Intragovernmental funds:						
Advances and reimbursements 403	Exp.	−660	----------	----------	----------	
Total, Bureau of Mines	NOA	60,933	83,092 C 500	74,494	−9,098	
	Exp.	63,281	65,000	90,000	25,000	

Office of Coal Research						
General and special funds:						
Salaries and expenses.....403	NOA	7,220	8,220	9,725	1,505	Increase is for 3 new pilot plants to demonstrate economic feasibility of new uses for coal.
	Exp.	7,124	8,200	8,625	425	
Office of Oil and Gas						
Salaries and expenses.....403	NOA	720	722 [c] 26	926	178	Increase provides increased staffing for the Oil Import Administration and reflects financing of emergency preparedness functions previously funded by Office of Emergency Planning.
	Exp.	731	748	926	178	
Total, mineral resources.....	NOA	142,065	172,003 [c] 2,103	173,344	−762	
	Exp.	145,407	153,948	185,551	31,603	
FISH AND WILDLIFE AND PARKS						
Office of the Commissioner of Fish and Wildlife						
Salaries and expenses.....404	NOA	452	.....	.....	.....	(Activities financed from this account in 1966 are funded in 1967 and 1968 in the Office of the Secretary, the Bureau of Commercial Fisheries, and the Bureau of Sport Fisheries and Wildlife.)
	Exp.	372	98	.....	−98	
Bureau of Commercial Fisheries						
Management and investigations of resources.....404	NOA	22,033	21,673 [c] 299	23,835	1,863	Major increases are for fish protein concentrate investigations, outfitting and operating new vessels, and exploratory fishing for new unutilized species.
	Exp.	22,103	20,600	23,300	2,700	
Management and investigations of resources (special foreign currency program).....404	NOA	300	500	100	−400	Reduction reflects elimination of lower priority programs.
	Exp.	163	250	400	150	
Construction.....404	NOA	1,980	1,245	1,380	135	Projects include construction of a pilot plant for fish protein concentrate, rehabilitation of the Galveston, Tex., laboratory, and repair of the Juneau, Alaska, dock.
	Exp.	6,662	2,806	2,250	−556	

[c] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
FISH AND WILDLIFE AND PARKS—Continued						
Bureau of Commercial Fisheries—Con.						
General and special funds—Continued						
Construction of fishing vessels..404	NOA	5,000	3,000	6,000	3,000	Increase is for the higher level of subsidy applications approved and anticipated.
Reappropriation	NOA	2,238				
	Exp.	456	2,000	3,600	1,600	
Federal aid for commercial fisheries research and development..404	NOA	4,713	4,710 C4	4,714	----------	Program provides for the same level of cost-sharing apportionments to States for commercial fishery research and development.
	Exp.	615	3,230	4,002	772	
Anadromous and Great Lakes fisheries conservation..404	NOA	----------	2,675 C3	1,678	−1,000	Matching funds are provided to States and local agencies for projects for conservation of anadromous fish.
	Exp.	----------	500	1,000	500	
General administrative expenses 404	NOA	689	672 C21	743	50	Increase is for improved direction of expanding commercial fish programs.
	Exp.	693	640	723	83	
Administration of Pribilof Islands (indefinite, special fund)..404	NOA	2,464	2,468 B17 C11	2,496	----------	Part of the proceeds from sales of fur sealskins and other wildlife products is used for administration of the Pribilof Islands.
	Exp.	2,391	2,403	2,000	−403	
Promote and develop fishery products and research pertaining to American fisheries (permanent, indefinite)..404	NOA	6,611	6,779	6,400	−379	A sum equal to 30% of customs duties on fishery products is appropriated for biological research, technological development, and general administrative services. A slight decrease in receipts is expected in 1968.
	Exp.	5,681	6,300	7,000	700	

Payment to Alaska from Pribilof Islands Fund (permanent, indefinite, special fund) 404	NOA	----------	300	400	100	Alaska is paid 70% of net proceeds from sales of fur sealskins and related products from the Pribilof Islands rookeries.
	Exp.	----------	300	400	100	
Public enterprise funds:						
Federal ship mortgage insurance fund, fishing vessels (permanent, indefinite, authorization to spend debt receipts) 404	NOA	350	----------	----------	----------	(Premiums and fees are reserved for possible losses, such as occurred in 1966.)
	Exp.	350	−180	−431	−251	
Fisheries loan fund 404	Exp.	−7	2,144	1,756	−388	(Loan program of $7.9 million by the end of 1968 is financed by receipts and fund capital.)
Limitation on administrative expenses.		(309)	(309) [C](7)	(336)	(20)	
Intragovernmental funds:						
Advances and reimbursements 404	Exp.	−8	7	----------	−7	
Total, Bureau of Commercial Fisheries.	NOA	46,378	44,022 [B]17 [C]338	47,746	3,369	
	Exp.	39,097	41,000	46,000	5,000	
Bureau of Sport Fisheries and Wildlife						
General and special funds:						
Management and investigations of resources 404	NOA	36,766	38,023 [B]288 [C]568	43,159	4,280	Increase is primarily for operation of new fish hatcheries and wildlife refuges, for fish and wildlife research, and to replace funds from a permanent account available in 1967 but not in 1968.
	Exp.	36,846	37,377	42,491	5,114	
Construction 404	NOA	18,299	8,619	2,568	−6,969	Program includes replacement of a fish nutrition laboratory and construction of a fish hatchery, development at 34 wildlife refuges, and planning for an endangered wildlife research facility.
Reappropriation	NOA	----------	918			
	Exp.	8,457	9,000	4,000	−5,000	
General administrative expenses 404	NOA	1,492	1,508 [C]64	1,613	41	Increase is to replace funds from a permanent account available in 1967 but not in 1968.
	Exp.	1,524	1,500	1,600	100	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
FISH AND WILDLIFE AND PARKS— Continued						
Bureau of Sport Fisheries and Wildlife— Continued						
General and special funds—Continued						
Migratory bird conservation account.....404	NOA	7,500	6,000	7,500	1,500	Estimate of $7.5 million to be advanced from general revenues (to be repaid later). In addition, estimated receipts from sale of Federal duck hunting stamps are used for the acquisition of migratory waterfowl lands.
Receipt limitation (permanent, indefinite).....	NOA	4,685	5,000	5,000	.....	
	Exp.	15,716	11,000	11,500	500	
Appalachian region fish and wildlife restoration projects.....404	NOA	.....	500	400	−100	States are reimbursed up to 75% of the cost of approved fish and wildlife projects within the Appalachian region.
	Exp.	51	1,000	599	−401	
Anadromous and Great Lakes fisheries conservation.....404	NOA	.....	2,675	1,675	−1,000	States are reimbursed up to 50% of the cost of approved anadromous fishery projects.
	Exp.	.....	475	1,000	525	
Federal aid in fish restoration and management (receipt limitation, permanent, indefinite).....404	NOA	7,373	7,894	7,810	−84	Assistance to States is provided by appropriations equal to the 10% excise tax on sport fishing equipment.
	Exp.	6,675	6,500	6,810	310	
Federal aid in wildlife restoration (permanent, indefinite, special fund).....404	NOA	20,201	24,344	20,200	−4,144	Assistance to States is provided by appropriations equal to the 11% excise tax on manufacture of firearms and cartridges.
	Exp.	16,770	18,648	18,500	−148	

National wildlife refuge fund (permanent, indefinite, special fund) 404	NOA	4,884	3,200	3,200	----------	Of net proceeds from sales of refuge products, 75% is used for refuge management and enforcement of game protection laws, and 25% goes to counties in which such refuges are located for schools and roads.
	Exp.	1,936	4,500	3,500	−1,000	
Total, Bureau of Sport Fisheries and Wildlife.	NOA	101,201	98,681 [B] 288 [C] 632	93,125	−6,476	
	Exp.	87,976	90,000	90,000	----------	
National Park Service						
Management and protection 405	NOA	33,378	35,896 [A] 350 [C] 1,200	40,822	3,376	Supplemental is for fire suppression. Increase provides full-year operation of 10 new areas and new facilities to serve an increase of 12 million visitors to the 240 areas in the system.
	Exp.	32,616	36,872 [A] 332	40,772 [A] 18	3,586	
Maintenance and rehabilitation of physical facilities 405	NOA	25,480	26,677 [B] 872 [C] 180	29,942	2,213	The increase will provide maintenance for 10 new areas and permit more adequate maintenance of roads and facilities throughout the Park Service.
	Exp.	24,985	27,600	29,727	2,127	
Construction 405	NOA	27,888	22,823	17,579	−5,244	Funds are provided for construction of facilities in 9 new and in the existing park areas, including the program for beautification of the Nation's Capital, work at the Jefferson National Expansion Memorial at St. Louis, and acquisition of water rights.
	Exp.	38,046	33,580	26,716	−6,864	
Parkway and road construction:						
Contract authorization:						
Current 405	NOA	----------	34,000	----------	7,000	Work on 6 parkways will continue, and construction and reconstruction of roads and trails in the 240 park areas will continue in order to meet increasing visitor and administrative needs.
Permanent	NOA	34,000	----------	41,000		
Liquidation of contract authorization.		(38,500)	(30,000) [A] (4,000)	(38,000)	(4,000)	(Supplemental is to meet progress payments against existing and anticipated 1967 obligations.)
	Exp.	37,186	31,898 [A] 4,000	38,000	2,102	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
FISH AND WILDLIFE AND PARKS—Continued						
National Park Service—Continued						
General and special funds—Continued						
General administrative expenses 405	NOA	2,522	2,562 C7	2,569	----------	Estimate continues program at current level.
	Exp.	2,470	2,550	2,550	----------	
Preservation of historic properties 405	NOA	----------	----------	2,323	2,323	Plans include creating a National Register of Historic Sites and Buildings of National, State, and local significance that merit preservation; providing grants-in-aid to the National Trust for Historic Preservation; and creating a National Advisory Council on Historic Preservation.
	Exp.	----------	----------	2,100	2,100	
Other miscellaneous appropriations (permanent, indefinite, special fund) 405	NOA	26	117	117	----------	Park visitor fees are used to provide educational facilities to dependents of park personnel, payment of tax losses to Wyoming, and for certain other costs.
	Exp.	108	120	117	−3	

Intragovernmental funds:						
Advances and reimbursements 405	Exp.	−20	48	----------	−48	
Total, National Park Service	NOA	**123,295**	**122,075** [A] **350** [B] **872** [C] **1,387**	**134,353**	**9,669**	
	Exp.	135,391	132,668 [A] 4,332	139,982 [A] 18	3,000	
Total, fish and wildlife and parks.	NOA	**271,326**	**264,778** [A] **350** [B] **1,177** [C] **2,357**	**275,224**	**6,562**	
	Exp.	262,836	263,766 [A] 4,332	275,982 [A] 18	7,902	
WATER AND POWER DEVELOPMENT						
Bureau of Reclamation						
General and special funds:						
General investigations 401	NOA	**14,194**	**15,053**	**16,523**	**1,470**	Program includes plan formulation and economic studies, and engineering research, with most of the increase for atmospheric water research.
	Exp.	14,453	15,300	16,300	1,000	
Construction and rehabilitation 401	NOA	**197,053**	**192,274** [A] **450**	**179,968**	**−12,756**	Supplemental in 1967 is for completion of the Delivery of Water to Mexico program. Estimate finances construction on 29 projects and 17 units and divisions of the Missouri River Basin project estimated to cost $6 billion; of these, 2 will be new project starts estimated to cost $133 million.
	Exp.	216,042	189,012 [A] 405	181,790 [A] 45	−7,582	
Operation and maintenance 401	NOA	**41,056**	**40,996** [A] **3,720**	**49,540**	**4,824**	Supplemental in 1967 is for increased power purchase and wheeling. Estimate provides for operation and maintenance of 36 projects and Missouri River Basin units. Increase reflects new facilities coming into maintenance status and power purchase and wheeling requirements.
	Exp.	41,343	40,400 [A] 3,350	48,500 [A] 370	5,120	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
WATER AND POWER DEVELOPMENT—Continued						
Bureau of Reclamation—Continued						
General and special funds—Continued						
General administrative expenses 401	NOA	11,016	10,913	11,356	176	Provides overall administration and the technical direction of the Bureau's program.
			[C]267			
	Exp.	11,162	11,160	11,300	140	
Loan program 401	NOA	12,095	12,995	15,000	2,005	Finances work on 12 projects including 2 new projects; 5 projects will be completed.
	Exp.	18,020	14,525	15,500	975	
Emergency fund 401	NOA	----------	1,000	----------	−1,000	(This fund is used only as needed to assure continued operations of projects in the event of emergencies.)
	Exp.	2,527	520	480	−40	
Recreational and fish and wildlife facilities, Colorado River storage project 401	NOA	4,484	3,800	2,750	−1,050	Development of recreational facilities at 2 reservoirs and operation of recreational facilities at 3 reservoirs will continue. Work will be conducted at 6 fish and wildlife sites including 2 national fish hatcheries and a national wildlife refuge.
	Exp.	3,871	5,700	4,300	−1,400	
Other miscellaneous appropriations (permanent, special funds) 401	NOA	3,369	3,587	3,588	1	Includes appropriations of Colorado River Dam fund revenues for payment of interest to Treasury and other specific items.
	Exp.	3,389	3,610	3,583	−27	
Public enterprise funds:						
Continuing fund for emergency expenses, Fort Peck project 401	Exp.	−4,416	−1,569	−1,763	−194	(Receipts from power sales are used for operation and maintenance. Decreased expenditures due primarily to the completion of certain rehabilitation, maintenance, and replacement work, which is partially offset by other increased operation and replacement costs.)

Upper Colorado River Basin fund 401	NOA	44,912	46,378	36,910	−9,468	Construction continues on 3 units and transmission facilities and on 12 participating projects. Decrease reflects reduced requirements for major storage dams and transmission lines.
	Exp.	60,615	44,587	39,595	−4,992	
Intragovernmental funds:						
Advances and reimbursements 401	Exp.	17	----------	----------	----------	
Total, Bureau of Reclamation.	NOA	328,179	326,996 [A] 4,170 [C] 267	315,635	−15,798	
	Exp.	367,023	323,245 [A] 3,755	319,585 [A] 415	−7,000	
Bonneville Power Administration						
General and special funds:						
Construction 401	NOA	97,775	108,761	120,006	11,245	Increase continues construction of both extra-high-voltage transmission facilities for the Pacific Northwest and of the Pacific Northwest-Southwest power intertie.
	Exp.	54,175	100,042	107,500	7,458	
Operation and maintenance 401	NOA	16,161	16,958	19,000	2,042	Increase will provide for the operation and maintenance of transmission facilities added to the power system.
	Exp.	15,949	16,958	19,000	2,042	
Continuing fund for emergency expenses, Bonneville project, Oregon 401	Exp.	96	----------	----------	----------	This fund is used only as needed to insure continued operation of the power system in emergencies.
Public enterprise funds:						
Bonneville Power Administration 401	NOA	----------	[A] −42,831	[A] −46,388	−3,557	Proposed legislation permits receipts from sale of power to be used, thus reducing net expenditures and need for new obligational authority. Receipts are estimated at $101.7 million in 1967 and $113.3 million in 1968.
	Exp.	----------	[A] −42,831	[A] −46,388	−3,557	
Total, Bonneville Power Administration.	NOA	113,936	125,719 [A] −42,831	139,006 [A] −46,388	9,730	
	Exp.	70,220	117,000 [A] −42,831	126,500 [A] −46,388	5,943	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
WATER AND POWER DEVELOPMENT—Continued						
Southeastern Power Administration						
General and special funds:						
Operation and maintenance...401	NOA	1,000	1,000	1,000	.....	Provides for continuation of power marketing program.
	Exp.	593	850	850	.....	
Public enterprise funds:						
Southeastern Power Administration.....401	NOA	.....	[A] −1,000	[A] −1,000	.....	Proposed legislation permits receipts from sale of power to be used, thus eliminating net expenditures and need for new obligational authority. Revenues are estimated to be $26.2 million in 1967 and 1968.
	Exp.	.....	[A] −26,200	[A] −26,200	.....	
Total, Southeastern Power Administration.	NOA	1,000	1,000 [A] −1,000	1,000 [A] −1,000	.....	
	Exp.	593	850 [A] −26,200	850 [A] −26,200	.....	
Southwestern Power Administration						
General and special funds:						
Construction.....401	NOA	2,218	3,950	5,105	1,155	Increase provides for planning and construction of additional transmission lines, substation capacity, and related facilities.
	Exp.	4,813	3,950	4,300	350	
Operation and maintenance...401	NOA	1,825	2,107	2,240	133	Increase is required to operate and maintain power facilities added to the system.
	Exp.	1,854	2,107	2,230	123	
Continuing fund.....401	NOA	4,000	3,700	3,200	−500	Provides for energy purchases and rental of transmission lines.
	Exp.	1,834	3,700	3,200	−500	

Public enterprise funds:						
Southwestern Power Administration 401	NOA	----------	[A] −4,600	[A] −5,410	−810	Proposed legislation permits receipts from sale of power to be used, thus reducing net expenditure and need for new obligational authority. Revenues are estimated to be $18.8 million in 1967 and $21 million in 1968.
	Exp.	----------	[A] −4,600	[A] −5,410	−810	
Total, Southwestern Power Administration.	NOA	8,044	9,757 [A] −4,600	10,545 [A] −5,410	−22	
	Exp.	8,501	9,757 [A] −4,600	9,730 [A] −5,410	−837	
Total, water and power development.	NOA	451,159	463,472 [A] −44,261 [C] 267	466,186 [A] −52,798	−6,090	
	Exp.	446,337	450,852 [A] −69,876	456,665 [A] −77,583	−1,894	
WATER POLLUTION CONTROL						
Office of Saline Water						
General and special funds:						
Salaries and expenses 401	NOA	20,000	27,469	20,982	−6,487	Provides for high-priority research, engineering and development, and evaluation of processes for converting saline water to fresh water.
	Exp.	12,280	12,307	21,016	8,709	
Operation and maintenance 401	NOA	2,485	2,351	2,300	−51	Provides for operation of 4 demonstration plants.
	Exp.	1,084	1,500	2,300	800	
Construction, operation, and maintenance: Reappropriation 401	NOA	666	----------	----------	----------	(Replacement of a demonstration plant transferred to the Navy Department in 1964 is being financed by a Navy reimbursement and a reappropriation of balances of prior appropriations.)
	Exp.	−409	1,193	1,000	−193	
Participation in prototype plant construction, operation, and maintenance 401	NOA	----------	----------	[A] 8,000	8,000	Provides for financial participation in a large non-Federal electric power generating and desalting plant (under proposed legislation).
	Exp.	----------	----------	[A] 3,500	3,500	
Total, Office of Saline Water	NOA	23,151	29,820	23,282 [A] 8,000	1,462	
	Exp.	12,955	15,000	24,316 [A] 3,500	12,816	

[A] Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
WATER POLLUTION CONTROL—Con.						
Federal Water Pollution Control Administration						
General and special funds—Continued						
Buildings and facilities.....401	NOA	.....	4,624	1,920	−4,360	Decrease results from nonrecurring facility requirements. Carryover balances will provide for demonstration of control of acid mine drainage, and advanced waste treatment pilot plants.
Reappropriation.....	NOA	.....	1,656			
	Exp.	.....	3,947	9,000	5,053	
Water supply and water pollution control.....401	NOA	45,084	55,083	101,114	46,031	Increase includes accelerating research and development activities, reviewing water quality standards, and implementing new requirements of the Clean Water Restoration Act of 1966.
	Exp.	34,991	36,000	68,000	32,000	
Construction grants for waste treatment works.....401	NOA	141,000	173,000	203,000	30,000	Provides increase of $50 million for grants for waste treatment plants. The demonstration program for combined sewers, for which $20 million was available in 1967, has been transferred to Water supply and water pollution control in 1968.
	Exp.	81,479	86,000	152,000	66,000	
Intragovernmental funds:						
Advances and reimbursements..401	Exp.	39	.....	.....	.....	
Total, Federal Water Pollution Control Administration.	NOA	186,084	234,363	306,034	71,671	
	Exp.	116,509	125,947	229,000	103,053	
Total, water pollution control.	NOA	209,235	264,183	329,316 ^ 8,000	73,133	
	Exp.	129,464	140,947	253,316 ^ 3,500	115,869	

SECRETARIAL OFFICES						
Office of the Solicitor						
General and special funds:						
Salaries and expenses.....409	NOA	4,597	4,863 [C] 117	5,130	150	Increase is for expanded legal workload related to the expanding program of the Department.
	Exp.	4,674	4,864	4,930	66	
Office of the Secretary						
Salaries and expenses.....409	NOA	4,555	6,340 [C] 167	7,570	1,063	Increase results from direct rather than reimbursable financing of departmental services as well as strengthening of Department direction and management.
	Exp.	4,834	6,460	7,570	1,110	
Underground electric power transmission research.....401	NOA	.....	.....	2,000	2,000	A new program of underground electric power transmission research will be conducted in cooperation with other public and private organizations.
	Exp.	.....	.....	940	940	
Intragovernmental funds:						
Working capital fund.....409	Exp.	98	−129	2	131	
Advances and reimbursements.409	Exp.	−75	238	.....	−238	
Total, Office of the Secretary.	NOA	4,555	6,340 [C] 167	9,570	3,063	
	Exp.	4,857	6,569	8,512	1,943	
Office of Water Resources Research						
General and special funds:						
Salaries and expenses.....401	NOA	6,396	6,894 [A] 2,375 [C] 16	12,700	3,415	Supplemental in 1967 is for financing title II of the Water Resources Research Act, and initiating a water resources scientific information center. Increase provides for additional grants and other arrangements for support of water resources research and continuation of the information center.
	Exp.	5,794	6,125 [A] 775	9,686 [A] 1,000	3,786	
Total, secretarial offices.....	NOA	15,548	18,097 [A] 2,375 [C] 300	27,400	6,628	
	Exp.	15,325	17,558 [A] 775	23,128 [A] 1,000	5,795	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
VIRGIN ISLANDS CORPORATION						
Public enterprise funds:						
Operating funds 910	Exp.	1,055	−301		301	(In 1967 the Corporation will liquidate its remaining activities.)
Limitation on administrative expenses.		(93)				
Total, Virgin Islands Corporation.		1,055	−301		301	
Total, Department of the Interior.	NOA	1,617,228	1,723,626 A −29,736 B 1,177 C 8,772	1,861,526 A −2,298	155,389	
	Exp.	1,437,366	1,505,003 A −58,443 B 1,125 C 8,316	1,740,870 A −49,115 B 52 C 456	236,262	
DEPARTMENT OF JUSTICE						
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION						
General and special funds:						
Salaries and expenses, general administration 908	NOA	5,339	5,600 C 143	6,000	257	Increase provides for improved management support, enlarged scope of management information services, and workload increases.
	Exp.	5,204	5,960	5,900	−60	

Salaries and expenses, general legal activities 908	NOA	21,074	21,850 [C]431	22,525	244	Additional amount provides for handling increasing litigative workloads.
	Exp.	20,401	22,780	22,490	−290	
Trust fund:						
Limitation on general administrative expenses, alien property activities.		(376)	(80)	(48)	(−32)	(The Office of Alien Property was closed June 30, 1966. The remaining workload has been transferred to General legal activities, which will be reimbursed from the trust fund.)
General and special funds:						
Salaries and expenses, Antitrust Division 508	NOA	7,175	7,409 [C]186	7,620	25	Program will continue at 1967 level.
	Exp.	6,973	7,700	7,400	−300	
Salaries and expenses, U.S. attorneys and marshals 908	NOA	32,797	35,000 [C]804	36,575	771	Increase will provide for costs related to additional judgeships created in 1967, salaries for assistant U.S. attorneys comparable to those of departmental attorneys, and expanded training programs for attorneys and marshals.
	Exp.	32,031	35,550	36,500	950	
Fees and expenses of witnesses 908	NOA	3,000	2,800 [A]350	3,300	150	Supplemental in 1967 and increase in 1968 are for additional witnesses required because creation of additional judgeships permits increased volume of litigation to be handled.
	Exp.	2,862	2,900 [A]320	3,300 [A]30	110	
Law enforcement assistance 908	NOA	7,249	7,222	19,000	11,778	Increase reflects additional emphasis on efforts to improve law enforcement, corrections, and the administration of justice in State and local jurisdictions.
	Exp.	1,077	11,950	13,900	1,950	
Salaries and expenses, Community Relations Service 908	NOA	1,300	1,396 [C]25	2,700	1,279	Increase is primarily to strengthen conciliation services authorized by the Civil Rights Act of 1964. Field offices will be established in 6 cities.
	Exp.	1,346	1,500	2,500	1,000	

[A] Proposed for separate transmittal, other than pay supplemental
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF JUSTICE—Continued						
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued						
Intragovernmental funds:						
Advances and reimbursements 908	Exp.	−14	14	----------	−14	
Total, legal activities and general administration.	NOA	**77,934**	**81,277** [A]350 [C]1,589	**97,720**	**14,504**	
	Exp.	69,881	88,354 [A]320	91,990 [A]30	3,346	
FEDERAL BUREAU OF INVESTIGATION						
General and special funds:						
Salaries and expenses 908	NOA	**169,010**	**175,259** [A]1,610 [C]5,250	**186,574**	**4,455**	Supplemental in 1967 is for increase in cost of employee post-of-duty transfers. Increase will provide for additional civil rights investigations, expanded fingerprint and name check services, and further staffing for National Crime Information Center.
	Exp.	168,033	186,307 [A]1,366	186,116 [A]244	−1,313	
IMMIGRATION AND NATURALIZATION SERVICE						
Salaries and expenses 908	NOA	**74,957**	**75,397** [A]1,273 [B]24 [C]2,357	**80,400**	**1,349**	Supplemental in 1967 will provide for increased cost of employee post-of-duty transfers, legislation relating to adjustment of status of Cuban refugees and delivery of certificates of citizenship to citizen residents of the Canal Zone. Additional amount for 1968 provides for a 4% increase in international traffic partially offset by savings due to management improvements.
	Exp.	74,813	77,843 [A]1,157	79,800 [A]116	916	

FEDERAL PRISON SYSTEM						
Salaries and expenses, Bureau of Prisons.....908	NOA	57,595	58,595 [B] 332 [C] 1,855 [D] 28	62,100	1,290	Increase provides for establishment of additional community treatment centers, purchase of supplies formerly obtained from surplus, and operation and maintenance of institutions. These increases will be partially offset by savings from closing of Chillicothe, Ohio, reformatory. Prison population will average 20,100 in 1967 and 1968.
	Exp.	57,484	60,595	62,000	1,405	
Buildings and facilities.....908	NOA	4,256	.....	5,000	5,000	Estimate provides for planning a west coast youth center, several major renovation and improvement projects, and a continuing program of repairs and improvement.
	Exp.	3,682	9,000	5,000	−4,000	
Support of U.S. prisoners.....908	NOA	4,975	4,700	4,500	−200	Fewer Federal prisoners will be housed in non-Federal institutions due principally to a reduction in bail requirements as a result of the Bail Reform Act of 1965. This saving will be partially offset by an increase in average cost per man-day from $4.28 to $4.50.
	Exp.	4,815	4,806	4,500	−306	
Intragovernmental funds:						
Federal Prison Industries, Inc.:						
Prison industries fund.....908	Exp.	−6,214	−3,470	−5,000	−1,530	(Estimate provides vocational training for 10,600 inmates and employment of 5,527 inmates full time in various industries. Increased emphasis will be placed on coordinating industrial operations with inmate treatment programs.)
Limitation on administrative and vocational training expenses.		(2,270)	(2,512)	(2,764)	(252)	
Total, Federal Prison System.	NOA	66,826	63,295 [B] 332 [C] 1,855 [D] 28	71,600	6,090	
	Exp.	59,767	70,931	66,500	−4,431	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF JUSTICE—Continued						
PROPOSED LEGISLATION						
General and special funds:						
Proposed legislation.....908	NOA	.....	.....	[A] 31,000	31,000	The increase will provide for grant programs to assist State and local governments in planning and improving systems of criminal justice.
	Exp.	.....	.....	[A] 20,000	20,000	
Total, Department of Justice	NOA	388,727	395,228 [A] 3,233 [B] 356 [C] 11,051 [D] 28	436,294 [A] 31,000	57,398	
	Exp.	372,494	412,555 [A] 2,843 [B] 341 [C] 10,511 [D] 28	423,851 [A] 20,390 [B] 15 [C] 540	18,518	
DEPARTMENT OF LABOR						
MANPOWER ADMINISTRATION						
General and special funds:						
Manpower development and training activities.....652	NOA	399,595	390,004	401,854	11,850	Program emphasis will be on training the severely disadvantaged and meeting skill shortages. Increase will allow improved services to the disadvantaged trainee. About 280,000 unemployed workers will be approved for training in 1968.
	Exp.	275,484	275,668	295,386	19,718	
Salaries and expenses, Office of Manpower Administrator...652	NOA	35,396	30,865 [C] 97	36,779	5,817	Increase is to develop more flexible industry on-the-job training of special unemployed worker groups and to review Nation's training policy.
	Exp.	11,064	25,000	28,000	3,000	

Salaries and expenses, Bureau of Apprenticeship and Training 652	NOA	7,096	8,177 [C] 79	8,416	160	Provides for promotion of apprenticeship training and on-the-job training under the Manpower Development and Training Act.
	Exp.	6,893	8,180	8,266	86	
Advances for employment services 652	NOA	10,000	----------	----------	----------	(The financial need of the Federal-State employment service can be met within the resources of the Unemployment trust fund during 1967 and 1968.)
	Exp.	----------	----------	----------	----------	
Limitation on grants to States for unemployment compensation and employment service administration, Unemployment trust fund.		(492,100)	(524,000)	(557,107)	(33,107)	Increase is primarily to meet mandatory salary increases for State employees and other changes in State laws. During 1968, the resources of the Federal-State employment service will be directed toward increasing special services for the disadvantaged worker groups.
Unemployment compensation for Federal employees and ex-servicemen 652	NOA	127,911	90,000 [A] −12,224 [C] −1,332 [D] −5	65,000	−11,439	Supplemental is to transfer funds not needed for this activity to activities that require supplemental funds during 1967. Decreases in 1967 and 1968 reflect continued economic improvement.
	Exp.	94,647	65,000	65,000	----------	
Salaries and expenses, Bureau of Employment Security 652	NOA	3,826	2,726	2,720	−6	Provides for immigrant eligibility determinations under Public Law 89-326, and activities under the Manpower Development and Training Act.
	Exp.	2,599	3,731	2,748	−983	
Limitation on salaries and expenses, Unemployment trust fund.		(15,640)	(17,922) [C] (245)	(18,328)	(161)	Estimate provides for continued technical assistance and leadership in Federal-State employment security program.
Trade adjustment activities 652	NOA	1,000	----------	----------	----------	(Worker allowances and State administration of the Canadian Auto Products Trade Act and the Trade Expansion Act will be financed through the account entitled Unemployment compensation for Federal employees and ex-servicemen during 1967 and 1968.)
	Exp.	287	10	----------	−10	
Miscellaneous expired accounts 652	Exp.	128	−219	----------	219	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

250-000 O—67——20

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued						
MANPOWER ADMINISTRATION—Con.						
Public enterprise funds:						
Farm labor supply revolving fund 652	Exp.	−84	−23	----------	23	(Liquidation of the fund will be completed in 1967.)
Advances to employment security administration account, Unemployment trust fund.....652	Exp.	−2,217	−3,600	−3,600	----------	(Temporary advances to the Unemployment trust fund are repaid in the same year. Net receipts are interest on the amount advanced.)
Intragovernmental funds:						
Advances and reimbursements, Manpower Administration..652	Exp.	−225	----------	----------	----------	
Total, Manpower Administration.	NOA	584,824	521,772 A −12,224 C −1,156 D −5	514,769	6,382	
	Exp.	388,577	373,747	395,800	22,053	

LABOR-MANAGEMENT RELATIONS						
General and special funds:						
Salaries and expenses, Labor-Management Services Administration 652	NOA	8,579	8,510 [C]68	8,683	105	The estimate will provide primarily for the costs of administering labor-management and welfare-pension reporting and disclosure laws.
	Exp.	7,762	8,200	8,400	200	
Salaries and expenses, Bureau of Veterans' Reemployment Rights 805	Exp.	41	----------	----------	----------	
Total, labor-management relations.	NOA	8,579	8,510 [C]68	8,683	105	
	Exp.	7,803	8,200	8,400	200	
WAGE AND LABOR STANDARDS						
Salaries and expenses, Wage and Hour Division 652	NOA	21,500	22,235 [C]481	25,424	2,708	Increase reflects the costs of administering the 1966 amendments to the Fair Labor Standards Act.
	Exp.	20,784	22,133	25,195	3,062	
Salaries and expenses, Bureau of Labor Standards 652	NOA	3,282	3,389 [C]45	4,645 [A]−2,137	−926	The maritime safety program will be expanded in line with growth in the maritime industry. However, the costs of this safety program will be recovered through the enactment of proposed user-charges legislation.
	Exp.	3,153	3,040	3,995 [A]−2,137	−1,182	
Intragovernmental funds:						
Advances and reimbursements, Bureau of Labor Standards 652	Exp.	−13	34	----------	−34	
General and special funds:						
Salaries and expenses, Women's Bureau 652	NOA	871	888 [C]23	912	1	Program will continue at the 1967 level.
	Exp.	830	885	910	25	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued						
WAGE AND LABOR STANDARDS—Continued						
Intragovernmental funds:						
Advances and reimbursements, Women's Bureau.....652	Exp.	17	8	.....	−8	
General and special funds:						
Claims and expenses, employees' compensation.....906	NOA	48,530	44,375 A 12,196	56,061	−510	The 1967 supplemental and the estimate for 1968 reflect higher benefits as provided by the 1966 amendments to the Federal Employees Compensation Act. In 1968, higher benefit costs will be offset by reimbursement by Federal agencies.
	Exp.	48,515	43,634 A 12,000	54,964 A 196	−474	
Salaries and expenses, Bureau of Employees' Compensation..906	NOA	4,554	4,701 A 20 C 136 D 5	5,508 A −1,183	−537	Supplemental for 1967 will finance increased relocation costs under Administrative Expense Act of 1966. The higher costs of administering the 1966 amendments to the Federal Employees Compensation Act are reflected in the estimate. This account also finances the administrative costs of the Longshoremen's and Harbor Workers' Compensation program, and user-charges legislation will be proposed to recover these costs from the maritime industry. The decrease in 1968 reflects the impact of this recovery.
	Exp.	4,491	4,846 A 20	5,440 A −1,183	−609	
Total, wage and labor standards.	NOA	78,735	75,588 A 12,216 C 685 D 5	92,550 A −3,320	736	
	Exp.	77,777	74,580 A 12,020	90,504 A −3,124	780	

BUREAU OF LABOR STATISTICS						
Salaries and expenses.....652	NOA	19,967	20,345 [C]243	23,054	2,466	Increase is for improved statistics and statistical research on employment and unemployment, prices, wages, and employee benefit plans.
	Exp.	19,348	19,730	22,500	2,770	
Revision of the Consumer Price Index.....652	Exp.	3	.....	.....	.....	(This revision has been completed.)
Intragovernmental funds:						
Advances and reimbursements.652	Exp.	−345	270	.....	−270	
Total, Bureau of Labor Statistics.	NOA	19,967	20,345 [C]243	23,054	2,466	
	Exp.	19,006	20,000	22,500	2,500	
BUREAU OF INTERNATIONAL LABOR AFFAIRS						
General and special funds:						
Salaries and expenses.....652	NOA	1,219	1,230 [C]20	1,463	213	Increase primarily reflects an expanded program to improve labor-management relations of U.S. firms overseas.
	Exp.	1,031	1,239	1,395	156	
Specia foreign currency program.....652	NOA	.....	75	75	.....	Provides for overseas labor conferences.
	Exp	.....	72	73	1	
Intragovernmental funds:						
Advances and reimbursements.652	Exp.	−17	−473	.....	473	
Total, Bureau of International Labor Affairs.	NOA	1,219	1,305 [C]20	1,538	213	
	Exp.	1,014	838	1,468	630	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued						
OFFICE OF THE SOLICITOR						
General and special funds:						
Salaries and expenses.....652	NOA	5,469	5,447 Δ8 C140	5,741	146	A supplemental for 1967 will finance increased relocation costs under Administrative Expenses Act of 1966. Increase reflects additional legal activities related to the 1966 amendments of the Fair Labor Standards Act.
	Exp.	5,302	5,587 Δ7	5,481 Δ1	−112	
Limitation payable from Unemployment trust fund.		(139)	(140) C(4)	(144)	.....	
OFFICE OF THE SECRETARY						
Salaries and expenses.....652	NOA	3,368	3,680	4,946	1,266	Increase primarily reflects transfer of some administrative activities from the bureaus.
	Exp.	3,152	3,621	4,140	519	
Limitation payable from Unemployment trust fund.		(140)	(140)	(538)	(398)	
Salaries and expenses, activities relating to admission and employment in agriculture of nonimmigrant aliens.....652	NOA	1,723	.....	.....	.....	
	Exp.	692	54	.....	−54	
Federal contract compliance and civil rights program.....652	NOA	451	1,040	1,355	315	Increase will strengthen the coordination of the Government-wide program for gaining compliance with nondiscrimination clauses in Government contracts, and for added enforcement of nondiscrimination provisions in the Department of Labor's grant programs.
	Exp.	401	1,030	1,285	255	
President's Committee on Consumer Interests.....652	NOA	.....	327	337	10	Increase reflects full-year costs of 1967 staff additions.
	Exp.	.....	293	325	32	

Intragovernmental funds:						
Working capital fund.....652	Exp.	−135	.....	.....	.....	(Provides centralized administrative services. Dollar volume estimated at $5,175 thousand in 1968, to be reimbursed by bureaus and offices of the Department.)
Advances and reimbursements.652	Exp.	−208	.....	.....	.....	
Total, Office of the Secretary.	NOA	5,542	5,047	6,638	1,591	
	Exp.	3,903	4,998	5,750	752	
Total, Department of Labor.	NOA	704,334	638,014	652,973 [A] −3,320	11,639	
	Exp.	503,382	487,950 [A] 12,027	529,903 [A] −3,123	26,803	

POST OFFICE DEPARTMENT

Public enterprise funds:						
Contributions to the postal fund (indefinite).....505	NOA	962,391	782,861 [A] 285,737 [C] 158,363	1,351,218	124,257	Supplemental in 1967 is for increased mail volume and the expanded overtime provisions of Public Law 89-301. Estimated obligations of $6,665 million, less estimated revenues at current rate levels of $5,314, leave $1,351 million to be contributed. If postal rate increases proposed are enacted, revenue will rise to $6,014, requiring a contribution of $651 million. There is an increase of $418 million in obligations ($202 million for mail volume, $161 million for improved facilities and equipment, and $55 million to strengthen management and improve the level of service). Under the current rate schedule there is a $294 million increase in revenue (entirely from mail volume). After deducting for public services and the proposed increase in postal rates, the surplus in postal rates and fees is estimated to be $82 million, compared with a deficiency of $637 million in 1967 and $399 million in 1966.
	Exp.	888,196	951,108 [A] 257,137	1,215,618 [A] 28,600	35,973	
Postal rate increase (proposed legislation).....505	NOA	.....	.....	[A] −700,000	−700,000	
	Exp.	.....	.....	[A] −700,000	−700,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
POST OFFICE DEPARTMENT—Continued					
Public enterprise funds—Continued					
Authorizations and limitations on use of postal fund:					
Administration and regional operation.	(88,112)	(93,546) C (1,500)	(107,973)	(12,927)	(Increase is primarily to strengthen management.)
Research, development, and engineering.	(11,528)	(16,152)	(23,148)	(6,996)	(Increase is for accelerated research and development of improvements in mail handling.)
Operations	(4,605,164)	(4,710,000) A (260,737) C (156,863)	(5,344,059)	(216,459)	(Increase is for growth in mail volume (4.5%) and for improved service.)
Transportation	(611,000)	(605,000) A (25,000)	(656,500)	(26,500)	(Increase due to mail volume growth and service improvement is partially offset by savings from more efficient use of transportation.)
Building occupancy and postal supplies.	(221,000)	(239,764)	(276,130)	(36,366)	(Increase is for more and better space and for supplies required by volume growth.)
Plant and equipment	(108,106)	(138,000)	(201,345)	(63,345)	(Increase is to renovate facilities and to purchase carrier and bulk transport vehicles.)
Postal public buildings	----------	----------	(55,853)	(55,853)	(New proposal will permit Department to construct special-purpose postal facilities directly rather than through General Services Administration.)
Total authorizations out of postal fund.	(5,644,910)	(5,802,462) A (285,737) C (158,363)	(6,665,008)	(418,446)	
Total, Post Office Department. NOA	**962,391**	**782,861** A **285,737** C **158,363**	**1,351,218** A **−700,000**	**−575,743**	
Exp.	888,196	798,835 A 257,137 C 152,273	1,209,528 A −671,400 C 6,090	−664,027	

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS						
General and special funds:						
Salaries and expenses 151	NOA	179,522	185,784 [A] 1,350	195,200	8,066	Supplemental is for Southeast Asia and for international education officers. Major increases in 1968 are for anticipated cost rises abroad and for civilian pay increases which will be financed in 1967 by unobligated balances of other appropriations.
	Exp.	177,089	183,700 [A] 950	189,600 [A] 400	5,350	
Representation allowances 151	NOA	993	993	993	----------	Provides for special expenses in promoting U.S. interests abroad and participating in commemorative and ceremonial events.
	Exp.	987	990	990	----------	
Acquisition, operation, and maintenance of buildings abroad 151	NOA	19,125	15,500	13,350	−2,150	Decrease results from lower acquisition and construction program in 1968.
	Exp.	14,013	16,700	16,000	−700	
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 151	NOA	6,500	6,250	5,025	−1,225	Decrease results from lower acquisition and construction program in 1968.
	Exp.	4,008	6,500	6,000	−500	
Emergencies in the diplomatic and consular service 151	NOA	2,050	1,600	1,600	----------	Provides for relief and repatriation loans to U.S. citizens abroad and other emergencies.
	Exp.	1,917	1,700	1,600	−100	
Payment to Foreign Service retirement and disability fund 151	NOA	45	----------	----------	----------	Appropriation requirements in 1966 will not recur.
	Exp.	45	----------	----------	----------	
Extension and remodeling, State Department Building 151	Exp.	277	6	----------	−6	(Activities will be completed in 1967.)
Replacement of passenger motor vehicles sold abroad (permanent, indefinite, special fund) 151	NOA	402	----------	----------	----------	Activities previously under this account are financed through reimbursements to Salaries and expenses starting in 1967.
	Exp.	395	236	----------	−236	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF STATE—Continued						
ADMINISTRATION OF FOREIGN AFFAIRS—Continued						
Intragovernmental funds:						
Working capital fund 151	Exp.	57	17	−27	−44	(The fund was initiated in 1965 to finance publishing, supply, and other support services.)
Advances and reimbursements 151	Exp.	−222	68	100	32	
Total, administration of foreign affairs.	NOA	**208,637**	**210,127** **A1,350**	**216,168**	**4,691**	
	Exp.	198,566	209,917 A950	214,263 A400	3,796	
INTERNATIONAL ORGANIZATIONS AND CONFERENCES						
General and special funds:						
Contributions to international organizations 151	NOA	**95,578**	**100,826**	**109,362**	**8,536**	Increase reflects cost rises and expansion of programs of most international organizations requiring higher contributions.
	Exp.	94,376	100,800	109,350	8,550	
Missions to international organizations 151	NOA	**3,434**	**3,700**	**3,770**	**70**	Provides representation, reporting, and liaison with international organizations and with delegations of other nations.
	Exp.	3,334	3,640	3,700	60	
International conferences and contingencies 151	NOA	**1,943**	**1,943**	**2,028**	**85**	Increase is for U.S. contribution to the General Agreement on Tariffs and Trade Organization.
	Exp.	1,885	1,940	2,025	85	
International tariff negotiations 151	NOA	**850**	**850**	----------	**−850**	Negotiations and signing of agreements are expected to be completed by June 1967.
	Exp.	834	800	115	−685	

International Conference on Water for Peace 151	NOA	----------	500	----------	−500	Conference will be held in May 1967.
	Exp.	----------	300	200	−100	
Total, international organizations and conferences.	NOA	101,805	107,819	115,160	7,341	
	Exp.	100,429	107,480	115,390	7,910	
INTERNATIONAL COMMISSIONS						
International Boundary and Water Commission, United States and Mexico:						
Salaries and expenses 401	NOA	832	831	851	20	Provides for investigations to determine need for and feasibility of joint projects for solution of boundary problems.
	Exp.	855	850	851	1	
Operation and maintenance 401	NOA	2,025	1,985	1,985	----------	Program workload includes flood control works and other structures, a powerplant, gaging stations, and diversion dams.
	Exp.	1,965	1,985	1,985	----------	
Construction 401	NOA	10,883	5,754 [A] 1,900	12,069	4,415	Supplemental provides for initiation of work on the U.S. portion of the Tijuana Flood Control project. Increase in 1968 is for 3d stage construction on the Amistad Dam.
	Exp.	15,616	10,000 [A] 400	14,800 [A] 1,500	5,900	
Chamizal settlement 401	NOA	6,640	4,200	2,760	−1,440	Decrease results from completion of major land acquisition in 1967.
	Exp.	14,263	22,424	3,560	−18,864	
American sections, international commissions 401	NOA	475	650	675	25	Provides for maintenance of United States-Canadian boundary and studies of border matters.
	Exp.	473	600	650	50	
International fisheries commissions 404	NOA	2,125	2,125	2,375	250	Increase is primarily for contributions to the Inter-American Tropical Tuna Commission for research.
	Exp.	2,063	2,100	2,300	200	
Facilities for International Pacific Halibut Commission 404	NOA	500	----------	----------	----------	Grant to the University of Washington for the construction and maintenance of a laboratory and offices for the Commission.
	Exp.	----------	150	350	200	

[A] Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF STATE—Continued						
INTERNATIONAL COMMISSIONS—Con.						
General and special funds—Continued						
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission 404	Exp.	51	.....	.....	.....	(Activities under this account were completed in 1966.)
Total, international commissions.	NOA	**23,480**	**15,545** **[A] 1,900**	**20,715**	**3,270**	
	Exp.	35,284	38,109 [A] 400	24,496 [A] 1,500	−12,513	
EDUCATIONAL EXCHANGE						
Mutual educational and cultural exchange activities 153	NOA	**53,000**	**46,999**	**49,000**	**2,001**	Increase is for exchange of persons, partially offset by a decrease in aid to American-sponsored schools abroad.
	Exp.	47,659	47,840	47,900	60	
International educational exchange activities (special foreign currency program) 153	Exp.	6,402	3,000	1,983	−1,017	(Activities are expected to be completed in 1968.)
Center for Cultural and Technical Interchange Between East and West 153	NOA	**5,800**	**6,050**	**5,800**	**−250**	Decrease results from nonrecurrence of 1967 expenses for planning a new library building.
	Exp.	6,281	6,230	6,000	−230	
Preservation of ancient Nubian monuments (special foreign currency program) 153	Exp.	−10	411	.....	−411	(These funds are expected to be fully spent in 1967.)

Educational, scientific, and cultural activities 153	Exp.	1	4	4	----------	(These funds are expected to be fully spent in 1968.)
Educational exchange permanent appropriations (indefinite, special funds) 153	NOA	353	353	353	----------	Payments by Finland on World War I debts are used for educational exchanges with Finland.
	Exp.	489	410	400	−10	
Total, educational exchange	NOA	59,153	53,402	55,153	1,751	
	Exp.	60,821	57,895	56,287	−1,608	
OTHER						
Migration and refugee assistance Reappropriation 152	NOA	7,575	6,050	5,660	−390	Decrease reflects reduced contribution to Intergovernmental Committee for European Migration, partially offset by increased contribution to U.N. High Commissioner for Refugees and additional costs for Cuban refugees.
	NOA	371				
	Exp.	8,485	6,350	5,600	−750	
Presentation of a statue to Mexico 151	NOA	100	----------	----------	----------	Appropriation requirements in 1966 will not recur.
	Exp.	97	----------	----------	----------	
Rama Road, Nicaragua 152	Exp.	995	688	----------	−688	(Completion of the road is expected in 1967.)
Payment to the Republic of Panama (permanent) 151	NOA	1,930	1,930	1,930	----------	Annual payment is made under treaty for Panama Canal rights. The Panama Canal Company reimburses $430 thousand to the U.S. Treasury.
	Exp.	1,930	1,930	1,930	----------	
Total, other	NOA	9,976	7,980	7,590	−390	
	Exp.	11,507	8,968	7,530	−1,438	
Total, Department of State	NOA	403,052	394,873	414,786	16,663	
			^ 3,250			
	Exp.	406,607	422,369	417,966	−3,853	
			^ 1,350	^ 1,900		

^ Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF TRANSPORTATION						
COAST GUARD						
General and special funds:						
Operating expenses 502	NOA	293,371	321,374 B 586 C 630 D 4,000	363,283	36,693	Beginning in 1968 the Coast Guard Reserve program will be financed under this appropriation. Increase permits operation of a Loran navigation system in Southeast Asia and new vessels, aircraft, and shore establishments.
	Exp.	274,351	320,000	351,311	31,311	
Acquisition, construction, and improvements 502	NOA	115,510	104,245	Y 107,014	2,769	Estimate provides for construction of 4 replacement vessels and 2 additional vessels; acquisition of 10 replacement aircraft, 9 helicopters for support of icebreaker operations and Search and Rescue; and construction or replacement of other facilities.
	Exp.	73,779	83,686	95,000	11,314	
Retired pay 502	NOA	41,000	44,250 D 660	48,260	3,350	A net average increase of 708 persons on the retired rolls is expected.
	Exp.	40,636	40,550	48,250	7,700	
Reserve training 502	NOA	23,550	24,031 D 466	----------	−24,497	The Coast Guard Reserve program, beginning in 1968, will be funded from Operating expenses.
	Exp.	23,082	23,905	2,946	−20,959	

Intragovernmental funds:						
Coast Guard supply fund.....502	Exp.	−488	1,254	300	−954	(Expenditures will exceed receipts slightly in a $24.4 million program.)
Coast Guard yard fund.....502	Exp.	−6,331	2,034	1,900	−134	(Expenditures will exceed receipts in a $16.9 million program.)
Total, Coast Guard.....	NOA	**473,431**	**493,900** [B] **586** [C] **630** [D] **5,126**	**518,557**	**18,315**	
	Exp.	405,030	471,429	499,707	28,278	
FEDERAL AVIATION ADMINISTRATION						
General and special funds:						
Operations.....501	NOA	**554,989**	**558,469** [B] **326** [C] **18,374**	**598,400**	**21,231**	Increases for operating newly commissioned airways facilities and for handling the growth in air traffic are partially offset by improved productivity and other cost reduction measures.
	Exp.	545,587	562,300	590,000	27,700	
Facilities and equipment.....501	NOA	**49,800**	**28,000**	**35,400**	**7,400**	Increase provides for continued improvements in the air traffic control-air navigation system and for initiation of a program to automate traffic control devices for terminal areas.
	Exp.	62,449	54,000	48,300	−5,700	
Research and development.....501	NOA	**37,500**	**28,500**	**27,500**	**−1,000**	Work on developing and perfecting equipment to enhance the reliability and capacity of the airways system will be continued at about the 1967 level.
	Exp.	32,315	28,000	27,000	−1,000	
Operation and maintenance, National Capital airports.....501	NOA	**3,732**	**3,732** [B] **20** [C] **70**	**8,500**	**4,678**	Operations and maintenance for Washington National Airport and Dulles International Airport have been combined into 1 account. Services will bec ontinued at approximately the present level.
	Exp.	3,658	3,700	8,400	4,700	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.
[Y] Includes $103,214 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF TRANSPORTATION—Continued						
FEDERAL AVIATION ADMINISTRATION—Continued						
General and special funds—Continued						
Operation and maintenance, Dulles International Airport...501	NOA	4,590	4,600 B26 C79	----------	−4,705	Account transferred to Operation and maintenance, National Capital airports.
	Exp.	4,437	4,600	----------	−4,600	
Construction, National Capital airports.....501	NOA	----------	----------	160	160	Appropriation is for construction of a small equipment storage building at Dulles International Airport. Expenditures will be funded in large part by carryover balances from all accounts combined into this account for 1968.
	Exp.	----------	----------	4,000	4,000	
Construction, Washington National Airport.....501	NOA	1,050	----------	----------	----------	Account transferred to Construction, National Capital airports.
	Exp.	1,728	1,800	----------	−1,800	
Construction, Dulles International Airport.....501	NOA	200	----------	----------	----------	Account transferred to Construction, National Capital airports.
	Exp.	86	1,600	----------	−1,600	
Grants-in-aid for airports.....501	NOA	----------	----------	71,000	----------	Grants are made to local communities for development of public airports. Budget also proposes appropriation of $75 million for 1969.
Permanent.....	NOA	75,000	71,000	----------		
	Exp.	53,989	54,000	59,000	5,000	
Civil supersonic aircraft development.....501	NOA	140,000	280,000	----------	−280,000	Estimate to fund the 1968 increment of the civil supersonic aircraft development program will be transmitted at a later date.
	Exp.	99,244	170,000	90,000	−80,000	
Construction and development, additional Washington airport 501	Exp.	420	----------	----------	----------	

Public enterprise funds:						
Aviation war risk insurance revolving fund 501	Exp.	6	12	13	1	(Contingent liability is estimated at $10,500 million.)
Total, Federal Aviation Administration.	NOA	**866,861**	**974,301** [B]372 [C]18,523	**740,960**	**−252,236**	
	Exp.	803,919	880,012	826,713	−53,299	
FEDERAL HIGHWAY ADMINISTRATION						
Bureau of Public Roads						
General and special funds:						
Forest highways: 503						
Contract authorization:						
Permanent	NOA	**33,000**	----------	**33,000**	**−33,000**	Legislation will be proposed to finance this program from the Highway trust fund, at a level of $33 million.
Current	NOA	----------	**33,000**	[A] **−33,000**		
Liquidation of contract authorization.		(32,000)	(32,000)	(33,000) [A] (−33,000)	(−32,000)	
	Exp.	31,304	33,062	33,000 [A] −33,000	−33,062	
Public lands highways: 503						
Contract authorization:						
Permanent	NOA	**7,000**	----------	**16,000**	**−14,000**	Legislation will be proposed to finance this program from the Highway trust fund, at a level of $16 million.
Current	NOA	----------	**14,000**	[A] **−16,000**		
Liquidation of contract authorization.		(8,000)	(8,000)	(10,000) [A] (−10,000)	(−8,000)	
	Exp.	11,290	8,128	10,000 [A] −10,000	−8,128	
Highway beautification 503	NOA	**70,750**	**80,000**	**1,750** [A] **−1,750**	**−80,000**	Legislation will be proposed to finance this program, together with the safety program, from a Beauty-Safety trust fund, at a program level of $160 million.
	Exp.	2,072	38,000	72,066 [A] −72,066	−38,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

250-000 O—67——21

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF TRANSPORTATION—Continued						
FEDERAL HIGHWAY ADMINISTRATION—Continued						
Bureau of Public Roads—Continued						
General and special funds—Continued						
Inter-American Highway.....152	NOA	2,000		7,000	7,000	Estimate provides for completion of commitments by the United States to the Central American Republics for construction of the Inter-American Highway.
Liquidation of contract authorization.		(6,000)				
	Exp.	4,955	7,500	9,000	1,500	
Chamizal memorial highway..503	NOA			8,000	8,000	Provides for the construction of a border highway in El Paso, Tex.
	Exp.			4,000	4,000	
Repair and reconstruction of highways.....503	NOA			15,098	15,098	The highway trust fund is reimbursed for costs incurred for repairs due to disaster damage.
	Exp.			15,098	15,098	
Study of territorial highway needs.....503	NOA		[A] 100		−100	Supplemental provides for studies of need for highway construction programs for Guam, American Samoa, and the Virgin Islands.
	Exp.		[A] 100		−100	
Highway safety.....503	NOA	290	210		−210	Program was repealed effective Sept. 9, 1966, due to enactment of expanded highway safety legislation.
	Exp.	35	248		−248	
Miscellaneous accounts.....503	Exp.	885	614		−614	
Trust funds:						
Limitation on general administrative expenses.		(51,950)	(57,602)	(61,265)	(3,663)	(Increase is primarily for programs to improve traffic operations on Federal-aid highways; determine the social impact of highway transportation; and strengthen urban transportation planning.)

Federal-aid highways (liquidation of contract authorization).		(3,898,400)	(3,968,400)	(3,773,000)	(−195,400)	(Appropriation is to liquidate contract authorization and meet administrative expenses for interstate, primary, secondary, and urban highways. These costs are payable from the highway trust fund.)
Forest and public lands highways (liquidation of contract authorization).		----------	----------	[A] (43,000)	(43,000)	(Legislation will be proposed to finance these programs, including unexpended balances of prior year authorizations, from the highway trust fund in 1968.)
Highway beautification:						
Appropriation		----------	----------	[A] (104,607)	(104,607)	(Legislation will be proposed to finance an expanded beautification program, including unexpended balances of prior year authorizations, from a Beauty-Safety trust fund in 1968.)
Liquidation of contract authorization.		----------	----------	[A] (60,875)	(60,875)	
Intragovernmental funds:						
Advances and reimbursements 503	Exp.	1	1	1	----------	
Total, Bureau of Public Roads	NOA	**113,040**	**127,210** **[A] 100**	**80,848** **[A] −50,750**	**−97,212**	
	Exp.	50,543	87,553 [A] 100	143,165 [A] −115,066	−59,554	
National Highway Safety Bureau						
General and special funds:						
Traffic and highway safety programs 503	NOA	----------	**10,519**	**32,555** **[A] −32,555**	**−10,519**	Legislation will be proposed to finance the safety program, together with the highway beautification program, from a Beauty-Safety trust fund, at a level of $32.6 million.
	Exp.	----------	5,000	23,000 [A] −23,000	−5,000	

[A] Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF TRANSPORTATION—Continued						
FEDERAL HIGHWAY ADMINISTRATION—Continued						
National Highway Safety Bureau—Con.						
General and special funds—Continued						
State and community highway safety programs: 503						
Contract authorization:						
Permanent	NOA	----------	----------	**100,000**	**−167,000**	Legislation will be proposed to finance the safety program from a Beauty-Safety trust fund.
Current	NOA	----------	**167,000**	[A] **−100,000**		
Liquidation of contract authorization.		----------	(10,000)	(100,000)	(−10,000)	
				[A] (−100,000)		
	Exp.	----------	7,000	100,000	−7,000	
				[A] −100,000		
Trust funds:						
Traffic and highway safety programs		----------	----------	[A] (38,074)	(38,074)	(Legislation will be proposed to finance this program, including the unexpended balances of the prior year appropriation, from a Beauty-Safety trust fund in 1968.)
State and community highway safety programs (liquidation of contract authorization).		----------	----------	[A] (100,000)	(100,000)	(Legislation will be proposed to finance this program, including the unexpended balance of the prior year authorization, from a Beauty-Safety trust fund in 1968.)
Total, National Highway Safety Bureau.	NOA	----------	**177,519**	**132,555**	**−177,519**	
				[A] **−132,555**		
	Exp.	----------	12,000	123,000	−12,000	
				[A] −123,000		
Total, Federal Highway Administration.	NOA	**113,040**	**304,729**	**213,403**	**−274,731**	
			[A] **100**	[A] **−183,305**		
	Exp.	50,543	99,553	266,165	−71,554	
			[A] 100	[A] −238,066		

FEDERAL RAILROAD ADMINISTRATION						
General and special funds:						
High-speed ground transportation research and development...506	NOA	**18,250**	**21,205**	**18,343**	**−2,862**	Estimate provides for demonstrations of improved rail service in the Northeast Corridor and research on advanced ground transportation systems.
	Exp.	2,351	11,100	19,468	8,368	
Public enterprise funds:						
Alaska Railroad revolving fund 506	NOA	**4,100**	.....	.....	.....	Revenues of $14 million finance normal costs of operating the railroad.
	Exp.	10,485	3,445	−2,263	−5,708	
Total, Federal Railroad Administration.	NOA	**22,350**	**21,205**	**18,343**	**−2,862**	
	Exp.	12,836	14,545	17,205	2,660	
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION						
Saint Lawrence Seaway Development Corporation fund...502	Exp.	1,216	−100	−300	−200	(Operating costs and interest will be financed from revenue of $7.6 million.)
Limitation on administrative expenses.		(490)	(515)	(515)	.....	
OTHER						
General and special funds:						
Other transportation functions.506	NOA	.....	4,752	.....	−4,752	The 1967 amounts cover only the part of the year the new Department is to be operating. The sums shown comprise planned transfers of portions of 1967 new obligational authority and expenditures therefrom, from 6 accounts in other agencies, for transferred functions. Support will also be available in 1967 from other departmental components above. Request will be made later for 1968 needs when organization and staffing plans are completed.
	Exp.	.....	2,716	2,036	−680	

^ Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF TRANSPORTATION—Continued						
OTHER—Continued						
General and special funds—Continued						
Transportation research.....506	NOA	3,000	1,606	.....	−1,606	Reflects transfer of account to Other transportation functions.
	Exp.	2,794	2,700	1,200	−1,500	
Total, other.....	NOA	3,000	6,358	.....	−6,358	
	Exp.	2,794	5,416	3,236	−2,180	
Total, Department of Transportation.	NOA	1,478,682	1,800,493 A 100 B 958 C 19,153 D 5,126	1,491,263 A −183,305	−517,872	
	Exp.	1,276,338	1,448,720 A 100 B 916 C 16,440 D 4,779	1,609,624 A −238,066 B 42 C 2,713 D 347	−96,295	
TREASURY DEPARTMENT						
OFFICE OF THE SECRETARY						
General and special funds:						
Salaries and expenses.....904	NOA	6,418	6,900 C 127	7,317	290	Increase provides for funding the office to assure equal employment opportunities and strengthening of administrative support areas.
	Exp.	6,048	6,887	7,100	213	

Miscellaneous permanent appropriations (indefinite, specia funds) 904	NOA	15	15	15	.....	Funds are appropriated from a receipt account for administrative expenses of paying awards under the War Claims Act.
	Exp.	37	16	16	.....	
Public enterprise funds:						
Liquidation of Federal Farm Mortgage Corporation 904	Exp.	−32	1	1	.....	(Collections from Federal land banks were completed in 1966.)
Total, Office of the Secretary	NOA	6,433	6,915 [C]127	7,332	290	
	Exp.	6,052	6,904	7,117	213	
BUREAU OF ACCOUNTS						
General and special funds:						
Salaries and expenses 904	NOA	33,499	32,988	34,500	1,512	Increase is for processing and postage involved in an additional central disbursing work volume of 14.1 million items.
	Exp.	31,599	32,642	34,202	1,560	
Claims, judgments and relief acts:						
Current, definite 910	NOA	38,123	11,953	.....	−11,953	Prospective requirements for the remainder of 1967 and 1968 are uncertain and are covered by the allowance for contingencies.
	Exp.	33,743	17,053	.....	−17,053	
Permanent, definite 910	NOA	6	6	6	.....	Statutory award is paid annually as a result of a private relief act.
	Exp.	6	6	6	.....	
Permanent, indefinite 910	NOA	5,146	6,643	6,000	−643	Judgments of $100 thousand or less are paid from this appropriation.
	Exp.	5,146	6,643	5,158	−1,485	
Interest on uninvested funds (permanent, indefinite) 853	NOA	13,988	15,183	15,287	104	This appropriation provides for payment of interest on the uninvested balance of 8 trust funds.
	Exp.	13,988	15,183	15,287	104	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued						
BUREAU OF ACCOUNTS—Continued						
Public enterprise funds:						
Fund for payment of Government losses in shipment.....904	NOA	----------	[A]265	----------	−265	Supplemental in 1967 is required to offset increased losses. This fund is charged with losses in shipment of certain Government property and losses in redemption of savings bonds.
	Exp.	135	45 [A]114	[A]151	−8	
Total, Bureau of Accounts...	NOA	**90,763**	**66,773** **[A]265**	**55,793**	**−11,245**	
	Exp.	84,618	71,572 [A]114	54,653 [A]151	−16,882	
BUREAU OF CUSTOMS						
General and special funds:						
Salaries and expenses.....904	NOA	**84,143**	**85,678** **[B]160** **[C]2,025**	**90,400**	**2,537**	Increase will provide manpower to process increased workload and strengthen enforcement.
	Exp.	81,839	86,480	88,641	2,161	
Intragovernmental funds:						
Advances and reimbursements.904	Exp.	1	----------	----------	----------	
Total, Bureau of Customs...	NOA	**84,143**	**85,678** **[B]160** **[C]2,025**	**90,400**	**2,537**	
	Exp.	81,840	86,480	88,641	2,161	

BUREAU OF ENGRAVING AND PRINTING						
General and special funds:						
Air conditioning the Bureau of Engraving and Printing buildings 904	Exp.	2,445	3,107	.....	−3,107	(Installation will be completed in 1967 with balances of prior appropriations.)
Intragovernmental funds:						
Bureau of Engraving and Printing fund 904	Exp.	−2,159	3,254	−501	−3,755	(Decrease results from nonrecurring expenditures in 1967.)
Total, Bureau of Engraving and Printing.	Exp.	287	6,361	−501	−6,862	
BUREAU OF THE MINT						
General and special funds:						
Salaries and expenses 904	NOA	21,120	26,500 [C] −5,107	14,600	−6,793	Coinage production drops from 10.6 billion in 1967 to 6.6 billion in 1968, reflecting completion of the crash coinage program.
	Exp.	18,074	20,488	20,513	25	
Construction of mint facilities 904	NOA	22,300	.....	.....	.....	Funds appropriated in 1965 and 1966 are sufficient to complete construction of the Philadelphia Mint.
	Exp.	5,758	13,000	14,790	1,790	
Bureau of the Mint permanent appropriations (indefinite, special funds) 904	NOA	455	2,371	1,500	−871	Decrease in appropriation of seigniorage results from lower transportation and other costs related to decreased production of coins.
	Exp.	1,802	2,049	1,500	−549	
Public enterprise funds:						
Mint operating fund 904	NOA	.....	.....	[A] −16,100	−16,100	Proposed legislation will permit funding of 1968 mint operations through a revolving fund to be established at the close of 1967.
	Exp.	.....	[A] −26,000	[A] −22,013	3,987	
Total, Bureau of the Mint	NOA	43,965	28,871 [C] −5,107	16,100 [A] −16,100	−23,764	
	Exp.	25,634	35,537 [A] −26,000	36,803 [A] −22,013	5,253	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued						
BUREAU OF NARCOTICS						
General and special funds:						
Salaries and expenses.....908	NOA	5,936	6,138 C137	6,565	290	Increase will provide for converting records of licit activities to automatic data processing.
	Exp.	5,729	6,100	6,509	409	
BUREAU OF THE PUBLIC DEBT						
Administering the public debt..904	NOA	51,690	51,893 C536	52,084	−345	Decrease reflects increased productivity primarily related to further automation of savings bond activity. This more than offsets the increase in workload.
	Exp.	50,174	51,200	50,828	−372	
INTERNAL REVENUE SERVICE						
Salaries and expenses.....904	NOA	17,959	18,663 C296	20,060	1,101	Increase will strengthen internal audits of regional service centers, and provide security investigations and administrative support for the enlarged staff.
	Exp.	17,855	18,259	19,532	1,273	
Revenue accounting and processing.....904	NOA	162,932	169,433 C4,093	177,024	3,498	Increase will provide for final extension of the Master File System nationwide and lease of direct data entry equipment.
	Exp.	158,087	171,092	171,550	458	
Compliance.....904	NOA	447,648	461,876 C12,725	501,016	26,415	Increase will provide manpower to cover an increase in number of tax returns from 106.6 million in 1967 to 109.1 million in 1968. Pay supplemental proposed includes $5,107 thousand transfer from Mint.
	Exp.	435,225	465,203	489,457	24,254	
Refunding internal revenue collections, interest (permanent, indefinite).....852	NOA	103,931	93,800	87,700	−6,100	Interest is paid at 6% per annum on internal revenue collections which must be refunded.
	Exp.	103,696	93,300	87,200	−6,100	

Internal revenue collections for Puerto Rico (permanent, indefinite, special fund) 910	NOA	51,700	52,000	52,000	----------	Taxes on articles produced in Puerto Rico are paid to Puerto Rico.
	Exp.	51,764	52,000	52,000	----------	
Public enterprise funds:						
Federal tax lien revolving fund 904	NOA	----------	----------	800	800	This fund, established by the Federal Tax Lien Act of 1966, will finance the purchase and resale of property on which there is a tax lien.
	Exp.	----------	----------	----------	----------	
Total, Internal Revenue Service:	NOA	784,171	795,772 [c]17,114	838,600	25,714	
	Exp.	766,628	799,854	819,739	19,885	
OFFICE OF THE TREASURER						
General and special funds:						
Salaries and expenses 904	NOA	6,410	6,348	6,588	240	Increase results from a 3% increase in checks paid (to 539 million) and for the purchase of data processing equipment in lieu of rental.
	Exp.	6,096	6,490	6,458	−32	
Public enterprise funds:						
Check forgery insurance fund 904	Exp.	3	4	3	−1	(This fund covers settlements of checks paid on forged endorsements.)
Total, Office of the Treasurer	NOA	6,410	6,348	6,588	240	
	Exp.	6,099	6,494	6,461	−33	

[c] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued						
U.S. SECRET SERVICE						
General and special funds:						
Salaries and expenses.....908	NOA	11,961	14,492 C545	16,919	1,882	Increase will strengthen the protection capabilities of the Service.
	Exp.	10,853	14,835	16,892	2,057	
Salaries and expenses, White House Police.....903	NOA	1,866	.....	.....	.....	Activities transferred to Salaries and expenses, Secret Service.
	Exp.	1,839	69	.....	−69	
Salaries and expenses, Guard Force.....904	NOA	445	.....	.....	.....	Activities transferred to Salaries and expenses, Secret Service.
	Exp.	494	18	.....	−18	
Contribution for annuity benefits (permanent, indefinite)....903	NOA	598	600	600	.....	The District of Columbia is reimbursed for benefit payments made for Secret Service employees.
	Exp.	543	600	600	.....	
Total, U.S. Secret Service...	NOA	14,870	15,092 C545	17,519	1,882	
	Exp.	13,729	15,522	17,492	1,970	
INTEREST ON THE PUBLIC DEBT						
Interest on the public debt (permanent, indefinite).....851	NOA	12,013,863	13,400,000	14,050,000	650,000	Increase is due mainly to larger outstanding debt, and secondarily to higher interest rates required to refinance certain maturing debt.
	Exp.	12,013,863	13,400,000	14,050,000	650,000	
Total, Treasury Department.	NOA	13,102,242	14,463,480 A265 B160 C15,377	15,140,981 A−16,100	645,599	
	Exp.	13,054,653	14,471,097 A−25,886 B150 C14,777	15,137,132 A−21,862 B10 C600	655,742	

ATOMIC ENERGY COMMISSION

General and special funds:						
Operating expenses.....058	NOA	2,121,898	1,922,833	[Z]2,144,800	221,967	Increases for the weapons program, reactor development, and basic research in the physical and biomedical sciences are partially offset by decreases in procurement of uranium concentrates and the production of special nuclear materials.
	Exp.	2,045,098	1,990,000	2,020,000	30,000	
Plant and capital equipment..058	NOA	243,995	276,030	[E]348,200	72,170	Increases for equipment and for construction in support of the weapons program and the civilian power reactor development program are partially offset by decreases in construction of basic research facilities.
	Exp.	326,937	280,000	310,000	30,000	
Intragovernmental funds:						
Advances and reimbursements.058	Exp.	30,890	.....	.....	.....	
Total, Atomic Energy Commission.	NOA	2,365,893	2,198,863	2,493,000	294,137	
	Exp.	2,402,925	2,270,000	2,330,000	60,000	

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES						
General and special funds:						
Operating expenses, Public Buildings Service.....905	NOA	237,250	253,444 [B]4,091	262,152	4,617	Increase in 1968 is primarily for operation of new Federal buildings scheduled for occupancy in 1967 and 1968 partly offset by rental savings resulting from new construction.
	Exp.	236,804	256,398	261,079	4,681	
Repair and improvement of public buildings.....905	NOA	87,500	80,000	89,800	9,800	Increase is primarily for 22 conversion projects and increased workload.
	Exp.	90,862	73,000	95,000	22,000	
Construction, public buildings projects.....905	NOA	133,603	125,318	62,546	−62,772	Estimate includes funds for construction of 8 buildings, partial construction of 1 building and increases for 4 projects previously funded.
	Exp.	166,526	150,000	174,000	24,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.
[Z] Includes $2,137,095 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued						
REAL PROPERTY ACTIVITIES—Con.						
General and special funds—Continued						
Sites and expenses, public buildings projects 905	NOA	19,530	14,132	15,276	1,144	Estimate provides for design and site acquisition, where necessary, for 18 public buildings projects.
	Exp.	26,073	22,800	24,000	1,200	
Payments, public buildings purchase contracts 905	NOA	3,380	6,746	2,350	−4,396	Full prepayment was made in 1967 on 1 lease-purchase contract. Request provides for annual payments on the remaining 5 contracts.
	Exp.	3,306	6,820	2,350	−4,470	
Expenses, U.S. court facilities 905	NOA	1,560	1,500	1,640	140	Request provides for space expansion and for furniture and furnishings of U.S. courts.
	Exp.	903	1,400	1,800	400	
Additional court facilities 905	NOA	.....	6,000	.....	−6,000	The amount appropriated in 1967 is to provide facilities for newly appointed judgeships created by Public Law 89-372.
	Exp.	1,670	2,000	4,000	2,000	
Construction, Federal Office Building Numbered 7, Washington, D.C. 905	Exp.	6,412	6,500	6,000	−500	(The estimated expenditures are to provide progress payments falling due in 1968.)
Real property miscellaneous accounts 905	Exp.	1,421	319	.....	−319	
Intragovernmental funds:						
Buildings management fund 905	Exp.	5,326	−2,326	−900	1,426	(Operating costs are estimated at $408.4 million.)
Construction services, public buildings 905	Exp.	−1,023	−3	.....	3	(Operating costs are estimated at $18.1 million.)
Advances and reimbursements 905	Exp.	−1,273	1,357	.....	−1,357	
Total, real property activities	NOA	482,823	487,140 [B] 4,091	433,764	−57,467	
	Exp.	537,007	518,265	567,329	49,064	

PERSONAL PROPERTY ACTIVITIES						
General and special funds:						
Operating expenses, Federal Supply Service 905	NOA	59,851	60,621 [A] 5,000 [B] 140 [C] 1,382	70,508	3,365	Increase will support the greater volume of supply sales to the Government, principally to the military departments and AID.
	Exp.	58,495	61,103 [A] 5,000	69,148	3,045	
Salaries and expenses, automatic data processing coordination 905	NOA	200				Activities combined under Operating expenses, Federal Supply Service.
	Exp.	156	42		−42	
Expenses, supply distribution 905	Exp.		10		−10	
Intragovernmental funds:						
Automatic data processing fund 905	NOA			10,000	10,000	Estimate provides initial operating capital to commence the coordination of automatic data processing activities Government-wide.
	Exp.			7,547	7,547	
General supply fund 905	NOA		[A] 48,200		−48,200	Total sales to military and civil agencies are estimated at $887.9 million in 1967 and $965.3 million in 1968. The pending supplemental appropriation is necessary to finance an additional $57 million of stores stock sales to the military departments which is included in the total sales for 1967.
	Exp.	−39,705	13,876 [A] 40,200	3,721 [A] 8,000	−42,355	
Total, persona property activities.	NOA	60,051	60,621 [A] 53,200 [B] 140 [C] 1,382	80,508	−34,835	
	Exp.	18,946	75,031 [A] 45,200	80,416 [A] 8,000	−31,815	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued						
RECORDS ACTIVITIES						
General and special funds:						
Operating expenses, National Archives and Records Service 905	NOA	16,658	17,015 C321	17,610	274	Increase is primarily for records center activities including reference services. Records in custody are estimated to total approximately 10 million cubic feet, an increase of 0.5 million cubic feet over 1967. Reference services are estimated to total 6.6 million in 1968, an increase of 0.5 million over 1966 actual.
	Exp.	16,194	17,323	17,570	247	
National historical publications grants 905	NOA	350	350	500	150	Increase provides funding in accordance with legislative authority for continuing the program of collecting source material significant to the history of the United States.
	Exp.	319	350	500	150	
Total, records activities	NOA	17,008	17,365 C321	18,110	424	
	Exp.	16,513	17,673	18,070	397	
TRANSPORTATION AND COMMUNICATIONS ACTIVITIES						
Operating expenses, Transportation and Communications Service 905	NOA	5,844	5,880	6,000	120	The 1968 estimate provides for approximately the same level of operations as 1967.
	Exp.	5,833	6,080	5,995	−85	
Intragovernmental funds:						
Federal telecommunications fund 905	Exp.	−3,002	587	−97	−684	(Operating costs are estimated at $95.4 million.)
Total, transportation and communications activities.	NOA	5,844	5,880	6,000	120	
	Exp.	2,831	6,667	5,898	−769	

PROPERTY MANAGEMENT AND DISPOSAL SERVICE						
General and special funds:						
Operating expenses, Property Management and Disposal Service:						
(Defense-related activities) .059	NOA	----------	----------	18,440	18,440	This new appropriation is in consonance with establishment of the Property Management and Disposal Service which consists of the programs and responsibilities previously assigned to the Utilization and Disposal Service and the Defense Materials Service. Estimate provides for conduct of programs with reduction of $1.6 million from 1967 level, attributable to reduced operating costs.
	Exp.	----------	----------	18,400	18,400	
(General property and records management) 905	NOA	----------	----------	9,000	9,000	
	Exp.	----------	----------	7,700	7,700	
Operating expenses, Utilization and Disposal Service.....905	NOA	9,477	8,970	----------	−8,970	Activities transferred to Operating expenses, Property Management and Disposal Service.
	Exp.	8,951	8,900	504	−8,396	
Strategic and critical materials 059	NOA	17,400	19,847 [C]244	----------	−20,091	Activities transferred to Operating expenses, Property Management and Disposal Service.
	Exp.	15,845	19,935	1,090	−18,845	
Expenses, disposal of surplus real and related personal property (permanent, indefinite, special fund) 905	NOA	989	1,000	1,000	----------	Proceeds of sales are appropriated for certain expenses of disposals.
	Exp.	772	900	1,000	100	
Intragovernmental funds:						
Advances and reimbursements .059	Exp.	−221	100	100	----------	
Total, Property Management and Disposal Service.	NOA	27,866	29,817 [C]244	28,440	−1,621	
	Exp.	25,347	29,835	28,794	−1,041	

[C] Proposed for separate transmittal, civilian pay act supplemental.

250-000 O—67——22

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued						
GENERAL ACTIVITIES						
General and special funds:						
Salaries and expenses, Office of Administrator.....905	NOA	1,683	1,700 [C]47	1,823	76	Estimate provides for policy direction, review of contract appeals, legislative programs and assistance to business concerns.
	Exp.	1,644	1,745	1,825	80	
Allowances and office facilities for former Presidents.....903	NOA	235	235	235	.....	Account provides for 2 former Presidents and the widow of a former President.
	Exp.	190	235	235	.....	
Expenses, Presidential transition.....903	Exp.	1	.....	.....	.....	(This appropriation was provided to carry out the purpose of the Presidential Transition Act of 1963.)
Allowances and expenses for Mrs. Jacqueline Bouvier Kennedy 903	Exp.	4	.....	.....	.....	
Refunds under Renegotiation Act (interest).....905	Exp.	20	25	25	.....	(Interest on remaining refunds is covered by balances of prior appropriations.)
Public enterprise funds:						
Reconstruction Finance Corporation liquidation fund.....905	Exp.	−183	−100	−162	−62	(Volume of receipts declines as liquidation continues. Expenditures reflect collections from accounts serviced, offset by minor program costs.)
Intragovernmental funds:						
Administrative operations fund.....905	Exp.	−21	−200	−250	−50	(Various accounts deposit to this management fund for central operations, primarily budget, financial management, personnel, legal services, and general management.)
Limitation on use of fund.		(16,333)	(16,246) [C](470)	(16,699)	(−17)	

Working capital fund.....905	NOA	100	100	100	.....	Request provides for additional capital to support operation of printing and reproduction facilities.
	Exp.	22	100	100	.....	
Advances and reimbursements (automatic data processing activities).....905	Exp.	−1,320	500	200	−300	
Total, general activities.....	NOA	2,018	2,035 [C]47	2,158	76	
	Exp.	357	2,305	1,973	−332	
Total, General Services Administration.	NOA	595,610	602,858 [A]53,200 [B]4,231 [C]1,994	568,980	−93,303	
	Exp.	601,001	643,634 [A]45,200 [B]4,226 [C]1,916	702,397 [A]8,000 [B]5 [C]78	15,504	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
General and special funds:						
Research and development....251	NOA	4,502,164	4,235,100	[E]4,324,500	89,400	Increase is primarily for manned space flight beyond the lunar landing program.
	Exp.	4,741,128	4,680,800	4,470,000	−210,800	
Construction of facilities.....251	NOA	60,940	85,000	[E]54,200	−30,800	Decrease results from the completion of the major facilities for the Apollo program.
	Exp.	572,446	280,000	160,000	−120,000	
Administrative operations....251	NOA	611,820	647,483	[E]671,300	23,817	Increase provides additional funds to support the manned space flight programs and the planned buildup of the Electronics Research Center.
	Exp.	619,415	639,200	670,000	30,800	
Total, National Aeronautics and Space Administration.	NOA	5,174,924	4,967,583	5,050,000	82,417	
	Exp.	5,932,989	5,600,000	5,300,000	−300,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
VETERANS ADMINISTRATION						
General and special funds:						
General operating expenses...805	NOA	**162,227**	**178,413** [C]**3,787**	**184,342**	**2,142**	The increase will provide for processing benefits under the new GI bill (Public Law 89-358) and transfer of functions from medical administration.
	Exp.	157,960	175,700	177,842	2,142	
Medical administration and miscellaneous operating expenses 804	NOA	**13,496**	**14,000** [C]**312**	**14,300**	**−12**	Increase of $1 million to launch exchange of medical information program is offset by transfer mentioned above.
	Exp.	13,134	14,373	14,358	−15	
Medical and prosthetic research 804	NOA	**41,258**	**43,629** [C]**629**	**46,458**	**2,200**	The increase provides for planned development of clinical and applied research in Veterans Administration hospitals.
	Exp.	38,699	43,600	45,700	2,100	
Medical care.....804	NOA	**1,209,407**	**1,265,437** [C]**27,438**	**1,357,293**	**64,418**	The increase provides for activation of 2 new hospitals, new types of medical services, and increased staffing and training to improve quality of care. Average daily patient load is estimated at 138,000.
	Exp.	1,182,302	1,263,629	1,328,293	64,664	
Compensation and pensions: (Veterans service-connected compensation).....801	NOA	**2,311,153**	**2,319,575** [A]**74,104**	**2,434,699**	**41,020**	The supplemental in 1967 funds changes in composition of the caseload and higher average annual payments. In 1968 the increase is due to a heavier caseload in the peacetime service category; total cases up 8,000 to 2,400,000.
	Exp.	2,221,453	2,223,810 [A] 74,104	2,429,542	131,628	

(Veterans non-service-connected pensions) 802	NOA	2,001,236	1,975,035 [A]37,165	2,041,778	29,578	The 1967 supplemental is due to changes in composition of the caseload and higher average annual payments. In 1968 the increase results from mounting numbers of survivors of veterans on the rolls, up 36,000 to 1,000,000.
	Exp.	1,910,281	1,893,437 [A]37,165	2,037,049	106,447	
(Other veterans benefits and services) 805	NOA	116,611	79,390 [A]28,731	81,523	−26,598	The 1967 supplemental will allow for completion of one-time death gratuity payments which account for the decrease in 1968.
	Exp.	82,555	91,327 [A]28,731	81,409	−38,649	
Total, compensation and pensions.	NOA	4,429,000	4,374,000 [A]140,000	4,558,000	44,000	
	Exp.	4,214,289	4,208,574 [A]140,000	4,548,000	199,426	
Readjustment benefits 803	NOA	42,500	369,400	427,200	57,800	The increases provide educational and training benefits for veterans recently made eligible under the Cold War GI bill.
	Exp.	42,115	366,179	417,200	51,021	
Veterans insurance and indemnities 805	NOA	9,900	3,500	5,150	1,650	The increase is necessary to fund Federal contributions to other veterans insurance funds included in the administrative budget (see below).
Permanent, indefinite, special fund	NOA	636	670	650	−20	
	Exp.	16,010	12,640	9,575	−3,065	
Grants to the Republic of the Philippines 804	NOA	386	386 [A]1,000	1,325	−61	Medical care will be provided to 457 daily average beneficiaries. The supplemental for 1967 results from new legislation extending benefits.
	Exp.	326	386 [A]700	1,325 [A]300	539	
Construction of hospital and domiciliary facilities 804	NOA	90,512	52,125	52,000	−125	Proposal for 1968 provides for continuation of the program for modernization of medical facilities, and for planning and construction of research facilities.
	Exp.	83,735	65,497	77,000	11,503	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
VETERANS ADMINISTRATION—Continued						
General and special funds—Continued						
Grants for construction of State nursing homes 804	NOA	2,500	4,000	4,000		Provides for grants to States to construct nursing home facilities for care of war veterans.
	Exp.		965	4,200	3,235	
Proposed legislation 800	NOA			[A]−3,000	−3,000	Refinements in certain statutory benefits will be proposed which will reduce costs, offset partially by proposals to augment and extend benefits to veterans of the Vietnam era.
	Exp.			[A]−3,000	−3,000	
Construction—Corregidor-Bataan Memorial 805	NOA	1,400				The memorial will be substantially completed in 1968.
	Exp.	66	475	900	425	
Public enterprise funds:						
Canteen service revolving fund 803	Exp.	−106	−73	−42	31	(Receipts of $60.2 million from canteen sales to hospital patients and staff approximately offset expenses.)
Direct loans to veterans and reserves (authorization to spend debt receipts):						
Permanent 803	NOA	100,000	100,000			Receipts and balances are sufficient to fund the 1968 program. Expenditure decrease reflects asset sales of $260 million.
Current	NOA	−100,000	−100,000			
	Exp.	−658,953	−28,245	−116,710	−88,465	
Loan guaranty revolving fund (indefinite) 803	NOA			946	946	New obligational authority will fund participation sales insufficiencies. The expenditure decrease is due to a large volume of Federal assets programed for sale in 1968: $106 million in 1967 and $640 million in 1968.
	Exp.	15,723	196,629	−324,214	−520,843	
Limitation on obligations		(380,000)	(375,000)		(−375,000)	(No limitation on obligations is proposed for 1968.)
Rental, maintenance, and repair of quarters 805	Exp.	−2				(Receipts from rental housing offset maintenance costs.)

Service-disabled veterans insurance fund 805	Exp.	−529	−1,009	1,300	2,309	(Payments to surviving beneficiaries continue to increase as deaths occur.)
Soldiers' and sailors' civil relief 803	NOA	25				The payoff of a large number of old policies in 1967 accounts for the decrease.
	Exp.	8	18	7	−11	
Veterans reopened insurance fund 805	Exp.	−18,324	−31,088	−32,174	−1,086	(Receipts continue to exceed payments in this fund. The application period closed in May 1966.)
Veterans special term insurance fund 805	Exp.	−27,577	−28,274	−29,884	−1,610	(Premium and interest income continue to exceed death and other payments.)
Vocational rehabilitation revolving fund 805	Exp.	−1				(This program is for loans up to $100. Repayment of loans by trainees continues to cover new loans.)
Servicemen's group life insurance fund 805	Exp.	−134	35	35		(This program is contracted to private insurance companies. Federal contributions for extra hazards are financed by the Department of Defense.)
Intragovernmental funds:						
Supply fund 805	Exp.	10,924	−497	519	1,016	(Fund is estimated to net near zero on volume of $113 million.)
Total, Veterans Administration.	NOA	**6,003,247**	**6,305,560** **[A] 141,000** **[C] 32,166**	**6,651,664** **[A] −3,000**	**169,938**	
	Exp.	5,069,665	6,228,151 [A] 140,700 [C] 31,363	6,122,427 [A] −2,700 [C] 803	−279,684	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES						
ADMINISTRATIVE CONFERENCE OF THE UNITED STATES						
General and special funds:						
Salaries and expenses.....908	NOA	250	.....	250	250	Provides for establishment of a conference to improve and develop procedures under various administrative laws.
	Exp.	.....	.....	240	240	
ALASKA DEVELOPMENT COMMITTEES						
Federal Development Planning Committees for Alaska: Salaries and expenses.....507	NOA	174	190	[E]325	135	Committees will develop and coordinate plans for the economic development of Alaska.
	Exp.	138	197	313	116	
AMERICAN BATTLE MONUMENTS COMMISSION						
Salaries and expenses.....805	NOA	2,148	2,092 [B]74 [C]11	2,370	193	Increase provides for completion of design work for planned memorials and for increased home leave.
Reappropriation.....	NOA	32				
	Exp.	1,994	2,152	2,335	183	
CENTRAL INTELLIGENCE AGENCY						
Construction.....905	Exp.	360	1,655	.....	−1,655	(Major expenditures are for construction of facility designed for classified printing.)

CIVIL AERONAUTICS BOARD						
Salaries and expenses.....508	NOA	**11,163**	**10,866** [C]**200**	**9,066**	**−2,000**	Decrease reflects transfer of aviation safety functions to Department of Transportation.
	Exp.	10,856	11,020	9,036	−1,984	
Payments to air carriers.....501	NOA	**5,735**	.....	.....	.....	Decrease reflects improved carrier earnings, thus reducing need for subsidy.
Contract authorization (permanent, indefinite).	NOA	**76,929**	**66,767**	**59,597**	**−7,170**	
Liquidation of contract authorization.		(75,435)	(63,500)	(54,000)	(−9,500)	
	Exp.	74,622	65,526	62,886	−2,640	
Total, Civil Aeronautics Board.	NOA	**93,827**	**77,633** [C]**200**	**68,663**	**−9,170**	
	Exp.	85,478	76,546	71,922	−4,624	
CIVIL SERVICE COMMISSION						
Salaries and expenses.....906	NOA	**25,028**	**22,400** [A]**595** [C]**223**	**24,083**	**865**	The 1967 supplemental will provide for increased investigations workload resulting from the Vietnam buildup. Increase reflects consolidation of the Investigation of U.S. citizens for employment by international organizations appropriation and expansion of executive manpower and Federal training evaluation functions.
	Exp.	24,983	22,594 [A]445	23,968 [A]150	1,079	
Limitation payable under trust funds.		.....	(6,100) [A](196) [C](135)	(6,129)	(−302)	
Investigation of U.S. citizens for employment by international organizations.....908	NOA	**600**	**600**	.....	**−600**	This appropriation has been consolidated into the salaries and expenses appropriation.
	Exp.	570	594	155	−439	
Annuities under special acts..906	NOA	**1,550**	**1,430**	**1,336**	**−94**	Decrease results from smaller number of annuitants.
	Exp.	1,487	1,441	1,344	−97	
Payments to trust funds.....906	NOA	.....	.....	**111,748**	**111,748**	This appropriation is a consolidation of the 2 following ones. Estimate reflects an increase of 54,000 annuitants with health benefits coverage.
	Exp.	.....	.....	111,748	111,748	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
CIVIL SERVICE COMMISSION—Con.						
General and special funds—Continued						
Government payment for annuitants, employees health benefits 906	NOA	**29,220**	**31,730** [A] **4,914**	.....	**−36,644**	Supplemental in 1967 is required to meet the Government's share of the cost of insurance for certain annuitants as defined in the Federal Employees Health Benefits Act of 1959. These appropriations have been consolidated into the preceding one.
	Exp.	29,220	31,730 [A] 4,914	.....	−36,644	
Payment to civil service retirement and disability fund 906	NOA	**67,000**	**73,000**	.....	**−73,000**	
	Exp.	67,000	73,000	.....	−73,000	
Trust fund:						
Limitation on administrative expenses, employees life insurance fund.		(285)	.....	.....	.....	(This limitation has been consolidated into the salaries and expenses appropriation.)
Intragovernmental funds:						
Investigations (revolving fund) 906	Exp.	−46	−570	25	595	(This fund finances, on a reimbursable basis, security investigations performed at the request of other agencies.)
Advances and reimbursements 906	Exp.	−364	−209	−158	51	
Total, Civil Service Commission.	NOA	**123,398**	**129,160** [A] **5,509** [C] **223**	**137,167**	**2,275**	
	Exp.	122,850	128,580 [A] 5,359	137,082 [A] 150	3,293	

COMMISSION OF FINE ARTS						
General and special funds:						
Salaries and expenses.....555	NOA	**123**	**115**	**115**	.....	Advises the President, Congress, and department heads on matters of architecture, sculpture, and painting.
	Exp.	103	115	115	.....	
COMMISSION ON CIVIL RIGHTS						
Salaries and expenses.....908	NOA	**1,912**	**2,489**	**2,790**	**301**	Increase will finance national and regional conferences, a study of civil rights problems of citizens of Latin American origin, and expansion of clearinghouse programs.
	Exp.	1,520	2,764	2,700	−64	
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						
Salaries and expenses.....652	NOA	**3,250**	**4,953** [C] **79**	**7,170**	**2,138**	Increase is for expanded enforcement workload, intensification of technical assistance, and expansion of statistical reporting programs.
	Exp.	2,590	5,752	7,094	1,342	
EXPORT-IMPORT BANK OF WASHINGTON						
Public enterprise funds:						
Export-Import Bank of Washington fund.....152	Exp.	−385,023	128,300	−364,659	−492,959	(Decreased expenditures in 1968 reflect increased loan receipts and increased sales of assets, partly offset by a small increase in loan disbursements.)
Limitation on operating expenses.		(1,186,120)	(2,708,241)	(2,850,000)	(141,759)	
Limitation on administrative expenses.		(4,052)	(4,262)	(4,190)	(−72)	
FARM CREDIT ADMINISTRATION						
Revolving fund for administrative expenses.....352	Exp.	531	−46	.....	46	(Activity is financed by assessments collected from banks in the farm credit system. The increase is for additional personnel and related costs.)
Limitation on administrative expenses.		(3,018)	(3,071) [A] (36) [C] (62)	(3,224)	(55)	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
FARM CREDIT ADMINISTRATION—Continued						
Public enterprise funds—Continued						
Short-term credit investment fund.....352	Exp.	2,290	1,000	800	−200	(Expenditures in 1967 and 1968 are in production credit associations. Federal intermediate credit banks will obtain resources by borrowing privately. The reduction reflects the need for less Government capital.)
Banks for cooperatives investment fund.....352	Exp.	−10,051	−9,423	−7,500	1,923	(The return of capital will reduce the Government investment in the banks to $34 million.)
Total, Farm Credit Administration.	Exp.	−7,230	−8,469	−6,700	1,769	
FEDERAL COAL MINE SAFETY BOARD OF REVIEW						
General and special funds:						
Salaries and expenses.....652	NOA	91	178	162	−16	Decrease results from a revision of anticipated workload.
	Exp.	74	167	162	−5	
FEDERAL COMMUNICATIONS COMMISSION						
Salaries and expenses.....508	NOA	17,302	17,338 C 474	19,100	1,288	Increase is primarily for engineering studies and for studies relating to more effective use of the electromagnetic spectrum.
	Exp.	17,217	17,702	18,500	798	

FEDERAL HOME LOAN BANK BOARD						
Public enterprise funds:						
Federal Home Loan Bank Board revolving fund (authorization to spend debt receipts)...551	NOA	----------	**13,200**	----------	**−13,200**	Increase in administrative and supervisory expenses, paid from fees, charges, and assessments, is due to the larger number of institutions projected and the growth in total assets. Construction of a headquarters building for the Board has been authorized, and acquisition of land and plans are provided for in the estimates.
	Exp.	−35	254	−260	−514	
Limitation on administrative and nonadministrative expenses.		(17,115)	(17,875)	(18,190)	(315)	
Federal Savings and Loan Insurance Corporation fund...551	Exp.	−255,423	−130,088	−317,046	−186,958	(Premiums and other receipts are expected to increase and will continue to exceed costs.)
Limitation on administrative expenses.		(239)	(285)	(298)	(13)	
Home Owners' Loan Corporation fund.....551	Exp.	1	1	1	----------	(Expenditures are for interest on matured bonds.)
Total, Federal Home Loan Bank Board.	NOA	----------	**13,200**	----------	**−13,200**	
	Exp.	−255,458	−129,833	−317,305	−187,472	
FEDERAL MARITIME COMMISSION						
General and special funds:						
Salaries and expenses.....508	NOA	**3,173**	**3,375** [A] 52 [C] 83	**3,725**	**215**	Supplemental in 1967 is to carry out legislation requiring operators of passenger vessels to establish financial responsibility. The full-year cost is reflected in 1968, as well as funds to handle expanding regulatory workload.
	Exp.	3,091	3,519 [A] 47	3,695 [A] 5	134	
FEDERAL MEDIATION AND CONCILIATION SERVICE						
Salaries and expenses.....652	NOA	**6,719**	**7,087** [C] 110	**7,475**	**278**	The increase provides for an expected increase in labor-management dispute activity.
	Exp.	6,550	7,087	7,459	372	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
FEDERAL POWER COMMISSION						
General and special funds—Continued						
Salaries and expenses.....401	NOA	13,530	14,000 C220	14,530	310	The increase is primarily for work on natural gas regulation under the area rate pricing concept.
	Exp.	13,331	14,178	14,518	340	
Payments to States under Federal Power Act (permanent, indefinite, special fund).....401	NOA	71	103	87	−16	States are paid 37.5% of license receipts from hydroelectric projects in national forests and public lands.
	Exp.	71	71	103	32	
Total, Federal Power Commission.	NOA	13,601	14,103 C220	14,617	294	
	Exp.	13,402	14,249	14,621	372	
FEDERAL RADIATION COUNCIL						
Salaries and expenses.....903	NOA	166	131	131	.....	The Council advises the President on radiation matters affecting health.
	Exp.	84	155	125	−30	
FEDERAL TRADE COMMISSION						
Salaries and expenses.....508	NOA	13,861	14,000 C378	15,225	847	Increase is primarily for implementing the Fair Packaging and Labeling Act and to strengthen the antimonopoly and deceptive practices programs.
	Exp.	13,648	14,000	14,997	997	

FOREIGN CLAIMS SETTLEMENT COMMISSION						
Salaries and expenses.....151	NOA	1,915	2,000	1,275	−725	Decrease is due to completion of General War Claims program in 1967.
	Exp.	1,805	1,929	1,305	−624	
Payment of Philippine war damage claims.....151	Exp.	48	.....	.....	.....	
Total, Foreign Claims Settlement Commission.	NOA	1,915	2,000	1,275	−725	
	Exp.	1,853	1,929	1,305	−624	
HISTORICAL AND MEMORIAL COMMISSIONS						
Battle of New Orleans Sesquicentennial Celebration Commission.....910	Exp.	22	1	.....	−1	(The Commission will complete its work in 1967.)
Civil War Centennial Commission.....910	NOA	100	.....	.....	.....	(The Commission will complete its work in 1967.)
	Exp.	45	50	.....	−50	
Corregidor-Bataan Memorial Commission.....805	NOA	25	25	.....	−25	The Commission wi expire in May 1967.
	Exp.	24	26	.....	−26	
Franklin Delano Roosevelt Memorial Commission.....910	NOA	20	80	.....	−80	The Commission is formulating revised plans for a memorial.
	Exp.	5	97	.....	−97	
James Madison Memorial Commission.....910	NOA	10	.....	.....	.....	The Commission is formulating plans for a memorial.
	Exp.	.....	10	.....	−10	
Lewis and Clark Trail Commission.....405	NOA	25	25	35	10	The increase provides for additional publication, motion picture production, and staff costs.
	Exp.	21	29	35	6	
U.S. Territorial Expansion Memorial Commission.....910	Exp.	.....	3	.....	−3	(The Commission is concerned with the development of the Jefferson National Expansion Memorial.)

[c] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
HISTORICAL AND MEMORIAL COMMISSIONS—Continued						
General and special funds—Continued						
Woodrow Wilson Memorial Commission 910	Exp.	3	4	.....	−4	(The Commission will complete its work in 1967.)
Total, historical and memorial commissions.	NOA	**180**	**130**	**35**	**−95**	
	Exp.	120	220	35	−185	
INDIAN CLAIMS COMMISSION						
Salaries and expenses 902	NOA	**347**	**382** [C]12	[E]**500**	**106**	Increase is primarily to expedite the disposition of claims.
	Exp.	313	394	500	106	
INTERGOVERNMENTAL COMMISSIONS						
Advisory Commission on Intergovernmental Relations: Salaries and expenses 910	NOA	**415**	**428** [C]8	**510**	**74**	Increase provides for additional public meetings of the Commission and additional staff to work with representatives of Federal, State, and local governments.
	Exp.	430	426	481	55	
Appalachian Regional Commission: Salaries and expenses 507	NOA	.....	**1,100**	[E]**785**	**−315**	The Commission develops, plans, and coordinates the comprehensive programs for regional development in Appalachia. In 1968, 12 States will pay 50% of the Commission's operating cost.
	Exp.	1,068	1,081	785	−296	

Intragovernmental funds:						
Advances and reimbursements 507	Exp.	−456				
Total, Appalachian Regional Commission.	NOA		1,100	785	−315	
	Exp.	612	1,081	785	−296	
General and special funds:						
Commission on the Status of Puerto Rico: Salaries and expenses 910	NOA	200				Staff activity ends in 1967 with submission of its report.
	Exp.	227	179		−179	
Delaware River Basin Commission:						
Salaries and expenses 401	NOA	44	45	45		This appropriation provides for expenses of the U.S. Commissioner, his alternate, and assistant.
	Exp.	44	45	45		
Contribution 401	NOA	96	115	134	19	This provides the Federal share (about 24%) of the net annual expense budget adopted for 1968 by the Commission.
	Exp.	96	115	134	19	
Total, Delaware River Basin Commission.	NOA	140	160	179	19	
	Exp.	140	160	179	19	
Interstate Commission on the Potomac River Basin: Contribution 555	NOA	5	5	5		The United States contributes $5 thousand annually for the Commission's efforts to reduce pollution.
	Exp.	5	5	5		
Total, intergovernmental commissions.	NOA	760	1,693 [C]8	1,479	−222	
	Exp.	1,415	1,851	1,449	−402	
INTERSTATE COMMERCE COMMISSION						
Salaries and expenses 508	NOA	27,540	26,069 [C]720	23,784	−3,005	The decrease reflects transfer of railroad and motor carrier safety functions to the Department of Transportation.
	Exp.	27,264	26,803	23,935	−2,868	

[C] Proposed for separate transmittal, civilian pay act supplemental.
[E] To carry out authorizing legislation to be proposed.

22-000 O—67——23

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
NATIONAL CAPITAL HOUSING AUTHORITY						
General and special funds—Continued						
Operation and maintenance of properties.....555	NOA	49	37	.....	−37	Rental income will no longer be deposited in the general fund of the U.S. Treasury but will remain available to the Authority for operations and maintenance of housing properties.
	Exp.	41	44	.....	−44	
NATIONAL CAPITAL PLANNING COMMISSION						
Salaries and expenses.....555	NOA	818	995	1,100	105	Increase provides for additional staff to deal with a growing backlog of planning projects and implementation of the 1985 Plan.
	Exp.	798	1,064	1,100	36	
Land acquisition, National Capital park, parkway, and playground system.....555	Exp.	455	1,214	.....	−1,214	(Land acquisition from available funds is scheduled to be completed in 1967.)
Land acquisition, John F. Kennedy Center for the Performing Arts.....704	Exp.	32	103	.....	−103	(Land acquisition has been completed.)
Total, National Capital Planning Commission.	NOA	818	995	1,100	105	
	Exp.	1,285	2,381	1,100	−1,281	
NATIONAL CAPITAL TRANSPORTATION AGENCY						
Salaries and expenses.....555	NOA	425	1,400	.....	−1,000	Functions and duties of the Agency are to be transferred to the new interstate Washington Metropolitan Area Transit Authority on Sept. 30, 1967.
Reappropriation.....	NOA	.....	.....	400		
	Exp.	561	900	627	−273	

Construction, rail rapid transit system.....555	NOA	3,679	9,055	.....	−9,055	Federal contributions after Sept. 30, 1967, are to be appropriated to the Department of Housing and Urban Development for payment to the new Washington Metropolitan Area Transit Authority.
	Exp.	1,427	5,100	6,528	1,428	
Total, National Capital Transportation Agency.	NOA	4,104	10,455	400	−10,055	
	Exp.	1,987	6,000	7,155	1,155	
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES						
Salaries and expenses.....704	NOA	5,750	8,925	14,370	5,445	Increase provides more funds for grants at levels authorized by basic act and additional administrative expenses.
Indefinite.....	NOA	34	2,000	2,000		
	Exp.	1,228	8,400	15,000	6,600	
NATIONAL LABOR RELATIONS BOARD						
Salaries and expenses.....652	NOA	28,651	30,422 [C]588	32,288	1,278	Increase reflects an estimated 5% increase in representation disputes and a 2% increase in unfair labor practice cases.
	Exp.	28,372	31,104	32,411	1,307	
NATIONAL MEDIATION BOARD						
Salaries and expenses.....652	NOA	2,077	2,085	2,150	65	Increase is for the new special adjustment boards, created under Public Law 89-456, to provide an expeditious alternative procedure for readjustment of railroad grievances.
	Exp.	1,907	2,081	2,150	69	
NATIONAL SCIENCE FOUNDATION						
Salaries and expenses.....703	NOA	479,681	479,984	526,000	46,016	Increase for basic research grants and related facilities emphasizes oceanography, chemistry, and the atmospheric and social sciences. Programs to improve the quality of science education will also be expanded.
	Exp.	368,535	395,000	455,000	60,000	
International Geophysical Year 703	Exp.	−3	.....	.....	.....	
Intragovernmental funds: Advances and reimbursements..703	Exp.	−284	.....	.....	.....	
Total, National Science Foundation.	NOA	479,681	479,984	526,000	46,016	
	Exp.	368,248	395,000	455,000	60,000	

[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
PRESIDENT'S ADVISORY COMMITTEE ON LABOR-MANAGEMENT POLICY						
General and special funds:						
President's Advisory Committee on Labor-Management Policy 652	NOA	150	----------	----------	----------	(The Committee will be supported by the Departments of Labor and Commerce during 1967 and 1968.)
	Exp.	44	4	----------	−4	
RAILROAD RETIREMENT BOARD						
Payment for military service credits 659	NOA	16,558	17,201	17,839	638	Funds are provided for the fourth of 10 installments to pay the retirement account for military service of railroad workers.
	Exp.	16,558	17,201	17,839	638	
Trust funds:						
Limitation on salaries and expenses:						
Railroad retirement account		(11,725)	(11,175) [A] (1,175) [C] (295)	(12,600)	(−45)	Supplemental in 1967 is to finance benefit adjustments created by 1966 amendments to the Railroad Retirement Act.
Railroad retirement supplemental account.		----------	[A] (330)	(250)	(−80)	The new supplemental annuity program, created by a 1966 amendment to the Railroad Retirement Act, will support its own administrative expense program. The 1967 costs are for initiating the program.
RENEGOTIATION BOARD						
General and special funds:						
Salaries and expenses 904	NOA	2,530	2,477 [C] 60	2,600	63	Increase is for processing and review of additional renegotiation filings that are anticipated due to stepped-up procurement for Vietnam conflict.
	Exp.	2,450	2,521	2,595	74	

SECURITIES AND EXCHANGE COMMISSION						
Salaries and expenses.....508	NOA	16,442	16,421 [C]430	17,445	594	Increase is primarily for purchase of automatic data processing equipment.
	Exp.	15,820	17,050	17,420	370	
SELECTIVE SERVICE SYSTEM						
Salaries and expenses.....059	NOA	61,111	51,684 [A]6,121 [C]1,057 [D]131	57,455	−1,538	Supplemental in 1967 is to meet increased induction calls, which are now estimated at about 311,000. Inductions in 1968 are currently estimated at about 285,000.
	Exp.	54,230	54,623 [A]5,469	57,472 [A]652	−1,968	
SMALL BUSINESS ADMINISTRATION						
Salaries and expenses.....506	NOA	7,215	8,100	10,561	2,461	Assistance to loan applicants and borrowers will be increased through a stepped-up management counseling and training effort.
	Exp.	6,329	7,420	9,532	2,112	
Grants for research and management counseling.....506	Exp.	−7	.....	.....	.....	
Public enterprise funds:						
Business loan and investment fund (indefinite).....506	NOA	.....	.....	3,800	3,800	The program obligations increase $128 million primarily due to expansion of regular business lending. Expenditures are reduced by asset sales in 1967 of $375 million and in 1968 of $500 million through participation pools. New obligational authority is for insufficiencies in additional interest on participation certificates.
	Exp.	.....	−60,250	−31,196	29,054	
Disaster loan fund (indefinite) 506	NOA	.....	.....	3,438	3,438	Disaster loan program level is estimated at $100 million annually in 1967 and 1968. Expenditures in 1967 are reduced by asset sales of $125 million through participation pools. New obligational authority in 1968 is for insufficiencies in additional interest on participation certificates.
	Exp.	.....	−68,747	70,714	139,461	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
SMALL BUSINESS ADMINISTRATION—Continued						
Public enterprise funds—Continued						
Revolving fund 506	NOA	305,000				At the beginning of 1967, the assets in this fund were allocated to the preceding 2 new funds.
	Exp.	−146,073				
Revolving fund, lease guarantee 506	NOA	5,000				
Intragovernmental funds:						
Advances and reimbursements 506	Exp.	90				
Total, Small Business Administration.	NOA	317,215	8,100	17,799	9,699	
	Exp.	−139,660	−121,577	49,050	170,627	
SMITHSONIAN INSTITUTION						
General and special funds:						
Salaries and expenses 704	NOA	18,921	22,523 B176	25,100	2,401	The increase provides primarily for additional subprofessional and technical support for educational and scientific activities and opening of new galleries.
	Exp.	18,565	20,993	24,200	3,207	
Museum programs and related research (special foreign currency program) 704	NOA	1,300	2,316	6,100	3,784	Excess foreign currencies are granted to American institutions for archeological and biological research, excavation, and preservation.
	Exp.	520	2,092	3,000	908	
Construction and improvements, National Zoological Park 704	NOA	1,539	1,589	485	−1,104	The estimate provides for water pollution abatement construction and planning of future facilities.
	Exp.	1,803	1,280	1,000	−280	

Restoration and renovation of buildings.....704	NOA	2,248	2,300	1,353	−947	The estimate will provide for completing the renovation to the Smithsonian Building and for improvements to other educational and scientific facilities.
	Exp.	48	1,429	2,281	852	
Construction of National Air and Space Museum.....704	Exp.	306	13	.....	−13	(Planning was completed in 1965.)
Museum of History and Technology.....704	Exp.	540	1,248	278	−970	(The building was completed in 1964.)
Remodeling of Civil Service Commission Building.....704	Exp.	3,509	1,966	.....	−1,966	(The building is being remodeled for future use as an art gallery.)
Additions to the Natural History Building.....704	Exp.	921	740	91	−649	(The east wing was completed and occupied in 1964; the west wing, in 1966).
Salaries and expenses, National Gallery of Art.....704	NOA	2,531	2,718 [B] 10 [C] 94	3,085	263	The increase provides mainly for alterations to the building and additional educational programs for the pu_lic.
	Exp.	2,499	2,758	2,967	209	
Construction.....704	NOA	.....	.....	803	803	The estimate will provide for planning the Joseph H. Hirshhorn Museum and Sculpture Garden to provide the settings for works of art valued at over $25 million.
	Exp.	.....	.....	400	400	
John F. Kennedy Center for the Performing Arts.....704	Exp.	1,140	8,000	8,000	.....	(Building to be completed in 1969.)
Intragovernmental funds:						
Advances and reimbursements, Smithsonian Institution....704	Exp.	20	24	11	−13	
Total, Smithsonian Institution.	NOA	26,539	31,446 [B] 186 [C] 94	36,926	5,200	
	Exp.	29,871	40,543	42,228	1,685	

[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
SUBVERSIVE ACTIVITIES CONTROL BOARD						
General and special funds:						
Salaries and expenses.....908	NOA	480	280 A 10 C 4	330	36	Supplemental in 1967 and increase in 1968 are for additional workload associated with a Communist-front organization case.
	Exp.	363	346 A 10	330	−26	
TARIFF COMMISSION						
Salaries and expenses.....151	NOA	3,416	3,500 C 72	3,775	203	The estimate provides for an increase in investigative workload.
	Exp.	3,246	3,552	3,761	209	
TAX COURT OF THE UNITED STATES						
Salaries and expenses.....904	NOA	2,202	2,355	2,407	52	Increase provides for recall of 2 retired judges to active duty due to expanded caseload.
	Exp.	2,126	2,345	2,397	52	
TEMPORARY STUDY COMMISSIONS						
Atlantic-Pacific Interoceanic Canal Study Commission:						
Salaries and expenses.....02	NOA	6,985	4,000	AA 7,500	809	The estimate provides for continuation of sea-level canal feasibility studies, to be completed June 30, 1968, under existing law.
Reappropriation.....	NOA	.....	2,691			
	Exp.	2,743	6,804	7,350	546	

Commission on International Rules of Judicial Procedure: Salaries and expenses.....910	Exp.	25	.....	.....	.....	(This Commission expired on Dec. 31, 1966.)
Commission on Political Activity of Government Personnel: Salaries and expenses.....906	NOA	.....	75	.....	−75	The Commission was created to study Federal laws limiting political activity of Federal and State officers and employees.
	Exp.	.....	45	30	−15	
National Advisory Commission on Food and Fiber: Expenses..355	NOA	.....	475	175	−300	The estimate will finance the remainder of the expenses of the Commission, which will be terminated during October 1967.
	Exp.	−76	450	269	−181	
National Commission on Food Marketing: Salaries and expenses.....355	NOA	1,500	.....	.....	.....	The Commission completed its study and reported to the President and the Congress on June 27, 1966. The Commission was terminated in September 1966.
	Exp.	1,396	332	.....	−332	
National Commission on Technology, Automation, and Economic Progress: Salaries and expenses.....652	Exp.	413	174	.....	−174	(The Commission has submitted its final report to the President and Congress.)
National Visitor Center Study Commission.....405	NOA	.....	A 60	.....	−60	The Commission will study sites and plans to provide facilities for visitors coming to the Nation's Capital and will report to Congress by Sept. 15, 1967.
	Exp.	.....	A 40	A 20	−20	
President's Commissions on Law Enforcement and the Administration of Justice and on Crime in the District of Columbia: Salaries and expenses.....908	NOA	900	550	.....	−550	These Commissions will complete all reports in 1967.
	Exp.	581	867	.....	−867	

A Proposed for separate transmittal, other than pay supplemental.
C Proposed for separate transmittal, civilian pay act supplemental.
AA Includes $1,385 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
TEMPORARY STUDY COMMISSIONS—Continued						
Intragovernmental funds:						
Advances and reimbursements.908	Exp.	−5	5	----------	−5	
Total, President's Commissions on Law Enforcement and the Administration of Justice and on Crime in the District of Columbia.	NOA	900	550	----------	−550	
	Exp.	576	872	----------	−872	
General and special funds:						
Public Land Law Review Commission: Salaries and expenses_401	NOA	750	860	860	----------	Increases in staff and travel are offset by decreases in contract study funds.
	Exp.	339	878	1,503	625	
Select Commission on Western Hemisphere Immigration: Salaries and expenses_____908	NOA	----------	800	----------	−800	This Commission is scheduled to make its final report by Jan. 15, 1968.
	Exp.	----------	425	375	−50	
Total, temporary study commissions.	NOA	10,135	9,451 ^60	8,535	−976	
	Exp.	5,417	9,980 ^40	9,527 ^20	−473	

TENNESSEE VALLEY AUTHORITY						
Public enterprise funds:						
Tennessee Valley Authority fund:						
Power proceeds and borrowings	NOA	----------	1,000,000	----------	−1,000,000	The 1967 borrowing authority is intended to last for several years. Power revenues and receipts of $367 million, together with a net of $100 million of borrowings, will be used to finance power operations and a $164 million investment in power system facilities.
(authorization to spend debt receipts) 401	Exp.	5,862	15,000	45,500	30,500	
Appropriations and nonpower proceeds 401	NOA	59,347	63,700	62,150	−1,150	Decreases from completed activities more than offset increased funding for new and ongoing activities.
	Exp.	48,043	63,500	65,150	1,650	
Total, Tennessee Valley Authority.	NOA	59,347	1,063,700	62,150	−1,001,550	
	Exp.	53,905	78,500	110,650	32,150	
UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY						
General and special funds:						
Arms control and disarmament activities 151	NOA	9,965	9,000	10,000	1,000	Increase is to provide for additional contract research, primarily field testing and arms limitation.
	Exp.	8,803	9,400	9,400	----------	
UNITED STATES INFORMATION AGENCY						
Salaries and expenses 153	NOA	143,898	148,746 [A] 3,500 [C] 2,000	160,900	6,654	The 1967 supplemental and part of the 1968 increase are for an expanded program in Southeast Asia. The remainder of the increase will fund wage and price increases overseas and selective program expansions.
	Exp.	141,831	146,835 [A] 3,000	156,928 [A] 500	7,593	
Salaries and expenses (special foreign currency program) 153	NOA	11,112	10,941	10,158	−783	Foreign currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.	12,389	11,145	11,255	110	
Special international exhibitions 153	NOA	3,732	2,709	3,584	875	Increase will fund an additional exhibit in the U.S.S.R. and replace use of carryover balance from prior years.
	Exp.	4,844	7,200	7,210	10	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
UNITED STATES INFORMATION AGENCY—Continued						
General and special funds—Continued						
Special international exhibitions (special foreign currency program) 153	NOA	154	350	387	37	Foreign currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.	383	344	334	−10	
Acquisition and construction of radio facilities 153	NOA	26,205	6,510	19,254	12,744	The estimate provides funds to complete a new transmitting facility in Greece.
	Exp.	7,221	15,300	15,300	----------	
Public enterprise funds:						
Informational media guarantee fund 153	Exp.	−71	99	99	----------	(Pending action on new legislation, the program is being phased out.)
Total, United States Information Agency.	NOA	185,101	169,256 [A] 3,500 [C] 2,000	194,283	19,527	
	Exp.	166,598	180,923 [A] 3,000	191,126 [A] 500	7,703	
WATER RESOURCES COUNCIL						
General and special funds:						
Water resources planning 401	NOA	200	600	1,340	740	The increase provides for 1 new river basin commission for a full year and 2 new commissions for a half year.
	Exp.	44	622	1,265	643	
Financial assistance to States 401	NOA	----------	1,875	2,470	595	The increase is largely for additional grants for water resources planning.
	Exp.	----------	1,478	2,335	857	

River basin commissions.....401	NOA	110	----------	----------	----------	(Financing of program transferred to Water resources planning, Water Resources Council.)
Total, Water Resources Council.	NOA	310	2,475	3,810	1,335	
	Exp.	44	2,100	3,600	1,500	
Total, other independent agencies.	NOA	1,543,463	2,238,997 A 15,252 B 260 C 6,823 D 131	1,320,020	−941,443	
	Exp.	275,238	1,031,519 A 13,925 B 253 C 6,453 D 131	649,754 A 1,327 B 7 C 370	−400,823	

DISTRICT OF COLUMBIA

General and special funds:						
Federal payment to District of Columbia.....555	NOA	47,372	53,394 A 10,000	63,499 A 10,600	10,705	Supplemental in 1967 will be submitted for additional Federal payment within the $60 million authorization. Estimate for 1968 includes $60 million to help defray expenses of the government of the District and $3.5 million for water and sewage services to the Federal Government. Supplemental in 1968 is for proposed legislation to fix the payment authorization at 25% of local general fund revenues.
	Exp.	47,372	53,394 A 10,000	63,499 A 10,600	10,705	
Loans to District of Columbia for capital outlay, general fund.555	NOA	24,400	25,027	33,300 A 34,200	42,473	Loans are 30-year interest-bearing, to assist in constructing a new library, schools, playgrounds, and other public facilities. Supplemental in 1968 is under proposed legislation to base the loan authorization on the ability of the District to repay from available revenues.
	Exp.	19,000	27,600	27,800	200	

A Proposed for separate transmittal, other than pay supplemental.
B Proposed for separate transmittal, wage-board supplemental.
C Proposed for separate transmittal, civilian pay act supplemental.
D Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
DISTRICT OF COLUMBIA—Continued						
General and special funds—Continued						
Loans to District of Columbia for capital outlay, highway fund 555	NOA	3,912	12,000	14,300	2,300	Loans are 30-year interest-bearing, to assist highway construction.
	Exp.	5,500	10,000	15,000	5,000	
Loans to District of Columbia for capital outlay, water fund 555	NOA	----------	500	2,000	1,500	Loans are 30-year interest-bearing, to assist water system construction.
	Exp.	1,550	2,500	2,200	−300	
Loans to District of Columbia for capital outlay, sanitary sewage works fund 555	Exp.	1,300	7,000	7,000	----------	(Loans are 30-year interest-bearing, to assist construction of sanitary sewers.)
Federal contribution and loans to the metropolitan area sanitary sewage works fund 555	Exp.	975	3,300	----------	−3,300	(The sewerline from Dulles International Airport to the District of Columbia was virtually completed on Jan. 1, 1964.)
Repayable advances to the District of Columbia general fund (permanent, indefinite) 555	NOA	42,000	39,000	----------	−39,000	Temporary advances are made to meet short-term fiscal requirements resulting from variations in the rate of disbursements and tax collections during the year. No advance is estimated for 1968. The amount owed was $26 million at the end of 1965, $21 million at the end of 1966, and $25 million is estimated at the end of 1967.
	Exp.	−5,000	4,000	----------	−4,000	
Advances to stadium sinking fund, Armory Board (permanent, indefinite authorization to spend debt receipts) 555	NOA	757	787	661	−126	Advances are made to meet interest payments on bonds which cannot be met from receipts. The advances are repaid when funds are available.
	Exp.	757	787	661	−126	
Total, District of Columbia	NOA	118,440	130,708 [A] 10,000	113,760 [A] 44,800	17,852	
	Exp.	71,454	108,581 [A] 10,000	116,160 [A] 10,600	8,179	

SPECIAL ALLOWANCES

Allowances for:						
Civilian and military pay increase	NOA	.....	.....	[A] 1,000,000	1,000,000	Proposed legislation would provide for modest increases in civilian and military pay scales.
	Exp.	.....	.....	[A] 1,000,000	1,000,000	
Possible shortfall in asset sales	Exp.	.....	.....	750,000	750,000	This allowance covers the possibility that under existing money market conditions it may not be possible to meet the plans for asset sales contained in the budget details.
Contingencies	NOA	.....	[A] 150,000	[A] 800,000	650,000	The allowance for contingencies covers unforeseen needs and smaller items of proposed legislation. Specific supplemental estimates will be transmitted as the need arises.
	Exp.	.....	[A] 100,000	[A] 400,000	300,000	
Total, special allowances	NOA	.....	[A] 150,000	[A] 1,800,000	1,650,000	
	Exp.	.....	[A] 100,000	750,000 [A] 1,400,000	2,050,000	

GRAND TOTALS—ADMINISTRATIVE BUDGET

Total new obligational authority	126,439,169	125,253,390 [A] 13,492,912 [B] 55,626 [C] 413,772 [D] 346,012	143,217,017 [A] 776,515	4,431,820
Expenditures:				
Subtotal	107,612,858	120,684,494 [A] 6,022,903 [B] 53,734 [C] 393,519 [D] 340,530	130,753,816 [A] 4,933,552 [B] 1,892 [C] 20,253 [D] 5,482	8,219,815
Interfund transactions	−634,513	−766,092	−681,957	84,135
Total expenditures	106,978,344	126,729,088	135,033,038	8,303,950

[A] Proposed for separate transmittal, other than 1967 pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.
[D] Proposed for separate transmittal, military pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS						
LEGISLATIVE BRANCH						
Library of Congress: Gift and trust fund accounts.....704	NOA	2,650	2,361	2,281	−80	Income from investments and other gifts and receipts are devoted to advancing the work of the Library.
	Exp.	1,914	2,150	2,160	10	
General Accounting Office trust fund.....904	NOA	6	5	5	.....	Estates are held in trust for legal claimants.
	Exp.	2	5	5	.....	
Total, Legislative Branch....	NOA	2,656	2,366	2,286	−80	
	Exp.	1,916	2,155	2,165	10	
THE JUDICIARY						
Judicial survivors annuity fund..654	NOA	935	1,010	1,040	30	Pays annuities to dependents of deceased judges, refunds to former judges, and claims of survivors in certain cases.
	Exp.	494	550	580	30	
FUNDS APPROPRIATED TO THE PRESIDENT						
Military assistance:						
Military assistance advances..057						
Contract authorization.....	NOA	1,379,401	2,337,590	1,697,472	−640,118	This program covers sales of defense articles and services to eligible foreign countries and international organizations.
Receipts to liquidate contract authorization.		(707,945)	(1,103,711)	(1,375,828)	(272,117)	
	Exp.	750,872	1,114,964	1,362,511	247,547	
Economic assistance:						
Agency for International Development trust funds.....152	NOA	2,462	2,500	2,500	.....	These funds are advances by foreign governments to pay for local costs of development grant and other mutually agreed upon programs.
	Exp.	2,406	2,817	2,700	−117	

Office of Economic Opportunity: Gifts and contributions.....655	NOA	203	3	3	----------	These funds are used to help support the war on poverty.
	Exp.	3	202	2	−200	
Peace Corps: Gifts and donations 152	NOA	336	492	742	250	Gifts and donations from foreign governments help support the local program.
	Exp.	394	559	781	222	
Total, funds appropriated to the President.	NOA	1,382,402	2,340,585	1,700,717	−639,868	
	Exp.	753,675	1,118,542	1,365,994	247,452	
DEPARTMENT OF AGRICULTURE						
Miscellaneous trust funds.....351	Exp.	----------	2	----------	−2	(Receipts, primarily from States and local organizations, are available for work under cooperative agreements with Agricultural Stabilization and Conservation Service.)
354	NOA	860	971	1,080	109	Receipts, primarily from States and local organizations, are available for work under cooperative agreements with Soil Conservation Service.
	Exp.	832	965	1,040	75	
355	NOA	29,456	30,338	30,998	660	Fees are used for inspection and grading services of Consumer and Marketing Service and miscellaneous Agricultural Research Service activities, relieving general revenues of these expenses. Other receipts are used under cooperative agreements. The increase is due primarily to more requests by users for inspection and grading services.
	Exp.	28,155	30,545	30,941	396	
Farmers Home Administration trust revolving fund.....352	Exp.	2,859	−1,544	−1,373	171	(Funds of 38 States are administered in insured loan programs within those States.)
Forest Service: Cooperative work.402	NOA	30,505	30,000	31,000	1,000	Advances from others are used in cooperative work, such as reforestation, in forests and on land adjacent to forests.
	Exp.	24,896	26,100	30,770	4,670	
Total, Department of Agriculture.	NOA	60,821	61,309	63,078	1,769	
	Exp.	56,742	56,068	61,378	5,310	

220-000 O—67——24

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF COMMERCE						
Miscellaneous trust funds.....506	NOA	7,897	7,312	6,260	−1,052	Gifts, donations, advances from individuals and firms, proceeds from sale of documents, and bond sale receipts held in escrow are used to finance projects and activities to which the receipts are dedicated.
	Exp.	6,726	7,530	6,208	−1,322	
502	NOA	48,012	31,764	40,334	8,570	
	Exp.	5,010	35,530	34,736	−794	
Total, Department of Commerce.	NOA	55,909	39,076	46,594	7,518	
	Exp.	11,736	43,060	40,944	−2,116	
DEPARTMENT OF DEFENSE—MILITARY						
Miscellaneous trust funds.....051	NOA	21,849	7,963	7,445	−518	Receipts include gifts, donations and bequests used for specified purposes. Funds also include ships' stores profits used for benefit of naval personnel.
	Exp.	7,573	22,291	7,431	−14,860	
DEPARTMENT OF DEFENSE—CIVIL						
Corps of Engineers advances and contributed funds.....401	NOA	25,508	16,329	24,599	8,270	Advances and contributions from local interests are used in construction and maintenance work. Unused balances are returned.
	Exp.	22,873	25,000	26,000	1,000	
U.S. Soldiers' Home: Operation and maintenance...805	NOA	7,222	7,433 [B]93 [C]134	8,024	364	Receipts include fines, forfeitures, and pay stoppages of Army and Air Force enlisted personnel. Refunds are permanently authorized. The increase provides for an estimated rise from 1,925 to 1,960 domiciliary members and from 395 to 405 hospital patients.
	Exp.	7,150	7,647	8,011	364	

Capital outlay.....805	NOA	.....	3,575	305	−3,270	Decrease reflects domiciliary construction in 1967.
	Exp.	48	600	2,105	1,305	
Permanent appropriation.....805	NOA	.....	1	1	.....	Amounts are for refunds of charges erroneously deducted from the pay of military personnel.
	Exp.	.....	1	1	.....	
Trust revolving fund.....805	Exp.	−5	.....	.....	.....	(Fund finances certain supply inventories of the home.)
Total, Department of Defense—Civil.	NOA	32,730	27,338 [B]93 [C]134	32,929	5,364	
	Exp.	30,066	33,228 [B]90 [C]130	36,110 [B]3 [C]4	2,669	
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE						
Federal old-age and survivors insurance trust fund.....654	NOA	(18,460,796)	(23,042,776)	(24,399,314)	(1,356,538)	The old-age and survivors, and the disability insurance programs provide insurance against income loss due to death, retirement, or disability. Increased tax receipts reflect in 1967 the effect of the first full year of an increase in the annual covered wage base from $4,800 to $6,600 effective Jan. 1, 1966, an increase in the combined employer-employee payroll tax from 7.25% to 7.7% on Jan. 1, 1966, and to 7.8% on Jan. 1, 1967. In 1968, the higher receipts will reflect the first full year's cost of the January 1967 rate increase and a proposed increase in the wage base to $7,800 effective Jan. 1, 1968. Anticipated increases in average earnings will also add to tax receipts.
Receipts appropriated:						
(Employment taxes).....		16,473,516	20,592,000	21,659,000 [A]90,000	1,157,000	
(Deposits by States).....		1,392,431	1,581,000	1,698,000	117,000	
(Interest on investments).....		588,159	712,882	874,045	161,163	
(Reimbursement for military service credits.)		.....	156,000	78,000	−78,000	
(Other).....		6,689	894	269	−625	
Expenditures:	Exp.	(18,769,045)	(19,944,164)	(24,442,391)	(4,498,227)	Increases in expenditures reflect the accretion of individuals to the beneficiary rolls and the increase in average payments as the system continues to mature. Proposed changes in existing law will further increase expenditures by increasing average benefits by 15% and raising the minimum benefit for retired workers from $44 to $70 a month. Combined with other selective improvements, the changes will increase total benefit payments by about 19% in 1968 or $4 billion. This will offset an accumulation of $3.5 billion of unobligated balances in the trust funds.
(Benefit payments).....		18,071,453	18,964,000	19,928,000 [A]3,663,127	4,627,127	
(Vocational rehabilitation services.)		.....	90	912	822	
(Administration expenses and construction.)		253,772	354,100 [A]1,267	373,277 [A]75	25,278	
(Payment to railroad retirement account.)		443,820	532,000	477,000	−55,000	
(Investment in participation sales certificates.)		.....	100,000	.....	−100,000	

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)
TRUST FUNDS—Continued					
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
Federal disability insurance trust fund 654	NOA	(1,616,225)	(2,307,678)	(2,406,822)	(99,144)
Receipts appropriated:					
(Employment taxes)		1,424,297	2,053,000	2,133,000 ^9,000	89,000
(Deposits by States)		114,355	157,000	168,000	11,000
(Interest on investments)		59,547	65,378	80,745	15,367
(Reimbursement for military service credits.)		.....	32,000	16,000	−16,000
(Other)		26	300	77	−223
Expenditures:	Exp.	(1,936,764)	(1,981,647)	(2,389,165)	(407,517)
(Benefit payments)		1,721,133	1,845,000	1,965,000 ^277,021	397,021
(Vocational rehabilitation services.)		1,493	14,712	14,500	−212
(Administrative expenses)		189,177	93,466 ^470	111,644	17,708
(Payment to Railroad Retirement account.)		24,962	28,000	21,000	−7,000

Explanation of NOA requests

The number receiving monthly benefits under existing law at the end of each fiscal year are estimated as follows (in thousands):

	1966 actual	*1967 estimate*	*1968 estimate*
Retired workers and their dependents	14,517	15,030	15,579
Survivors of deceased workers	5,137	5,452	5,651
Disabled children of retired and deceased workers	196	210	223
Disabled workers and their dependents	1,887	2,027	2,151
Transitional noninsured persons aged 72 and over	------	790	730

Federal hospital insurance trust fund.....651	NOA	(915,695)	(3,072,266)	(3,736,221)	(663,955)
Receipts appropriated:					
(Employment taxes).....		862,000	2,470,000	3,063,000 ^13,000	606,000
(Deposits by States).....		46,797	176,000	239,000	63,000
(Federal payment for hospital insurance expenditures for the uninsured.)		.....	326,850	272,631	−54,219
(Interest on investments).....		6,898	61,102	91,580	30,478
(Reimbursement for military service credits.)		.....	22,000	11,000	−11,000
(Receipts from railroad retirement account.)		.....	16,305	46,000	29,695
(Other).....		.....	9	10	1
Expenditures:	Exp.	(64,491)	(2,529,947)	(2,876,430)	(346,483)
(Benefit payments).....		.....	2,395,000	2,624,000 ^156,355	385,355
(Administrative expenses).....		64,491	84,796 ^151	96,075	11,128
(Investment in participation sales certificates.)		.....	50,000	.....	−50,000
Federal supplementary medical insurance trust fund.....651	NOA	.....	(1,256,018)	(1,329,425)	(73,407)
Receipts appropriated:					
(Contributions).....		.....	623,000	634,000 ^24,000	35,000
(Federal contributions).....		.....	623,000	634,000 ^24,000	35,000
(Interest on investments).....		.....	10,008	13,415	3,407
(Other).....		.....	10	10	.....
Expenditures:		.....	(995,992)	(1,294,945)	(298,953)
(Benefit payments).....		.....	861,000	1,121,000 ^43,497	303,497
(Administrative expenses).....		.....	134,769 ^223	130,448	−4,544

^ Proposed for separate transmittal, other than pay supplemental.

Federal health insurance for the aged (Medicare) consists of 2 trust funds: (1) the hospital insurance trust fund which pays for services rendered to almost all the aged by hospitals, extended care facilities and home health agencies, and (2) the supplementary medical insurance trust fund which pays for doctors' bills and related services for over 90% of the aged who have voluntarily enrolled in the supplementary program. The hospital insurance program is currently financed by a 1% employer-employee payroll tax for persons covered by the social security and railroad retirement systems and by general fund payments for services rendered to eligible aged persons not insured by either of those systems. The supplementary program is financed by $3 per month per enrollee premium payments which are matched dollar for dollar by general fund payments to the supplementary medical insurance trust fund.

Hospital insurance trust fund expenditure increases in 1968 result from: (1) a natural growth in the number of covered aged; (2) cost of the first full year's coverage of extended care facilities included in the program as of Jan. 1, 1967; and (3) proposed legislation covering disabled social security and railroad retirement beneficiaries and extending Medicare payments to Federal hospitals. Higher tax receipts under existing legislation will more than offset the 1968 expenditure increases.

The 1968 estimates for the supplementary medical insurance trust fund reflect the normal increase in enrollees and the proposed inclusion of the disabled voluntarily signing up for supplementary medical coverage. Increased supplementary medical insurance expenditures in 1968 result from this increase in enrollees as well as from an anticipated increase in the number of bills paid under the program by the fiscal intermediaries.

The number of persons receiving benefits under these programs in 1968 are estimated as follows (in thousands):

	Aged	*Disabled*
Hospital insurance program.....	4,440	230
Supplementary medical insurance program.....	5,280	250

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
Miscellaneous trust funds.....651	NOA	**300**	**335**	**407**	**72**	Gifts and contributions are expended for specified purposes or are used to further the work of the Public Health Service.
	Exp.	256	367	347	−20	
653	NOA	.....	.....	**1**	**1**	Gifts received for refugee assistance are used for that purpose.
	Exp.	.....	.....	.....	.....	
659	Exp.	−34	.....	.....	.....	
Total, Department of Health, Education, and Welfare.	NOA	**20,993,016**	**29,679,073**	**31,712,190** **[A] 160,000**	**2,193,117**	
	Exp.	20,770,522	25,438,475 [A] 2,011 [C] 11,631	26,862,779 [A] 4,140,075 [C] 424	5,551,161	

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Federal National Mortgage Association						
Secondary market operations, trust revolving fund (authorization to spend debt receipts) 551	NOA	**264,660**	**4,050,373**	**214,170**	**−3,836,203**	Mortgage purchases of $1.4 billion will be higher than any year before the record $1.8 billion purchased in 1966 and expected in 1967; receipts include sales of $200 million of mortgages. Government equity of $191 million will exceed trust equity of $178 million primarily because of Treasury purchase of preferred stock in 1966. New obligational authority in 1967 was provided primarily by new legislation increasing the authority of the Association to borrow from 10 to 15 times its invested capital and retained earnings.
	Exp.	1,478,068	1,434,000	835,000	−599,000	
Participation sales trust fund:						
(Veterans readjustment benefits) 803	Exp.	.....	−13,790	−42,015	−28,225	This fund retains collections on loan obligations placed in participation pools and distributes interest and principal to certificate holders. Sales of participations in 1967 are projected at $2.9 billion and in 1968 at $4.8 billion in pools of loan obligations of the Farmers Home Administration, the Small Business Administration, the Department of Housing and Urban Development, the Public Health Service, the Office of Education, and the Veterans Administration.
(Advancement of business) 506	Exp.	.....	−30,025	−120,945	−90,920	
(Financing farm and rural housing) 352	Exp.	.....	−52,245	−103,825	−51,580	
(Assistance to higher education) 702	Exp.	.....	−9,745	−37,075	−27,330	
(Aids to private housing) 551	Exp.	.....	−44,620	−86,295	−41,675	
(Urban renewal and community facilities) 553	Exp.	.....	−1,010	−2,550	−1,540	
Total, participation sales trust fund.	Exp.	.....	−151,435	−392,705	−241,270	
Total, Department of Housing and Urban Development.	NOA	**264,660**	**4,050,373**	**214,170**	**−3,836,203**	
	Exp.	1,478,068	1,282,565	442,295	−840,270	

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF THE INTERIOR						
Indian tribal funds.....409	NOA	77,287	104,439	100,955	−3,484	Certain funds of Indian tribes are maintained in trust and administered by the Secretary for their benefit.
	Exp.	84,001	72,039	62,058	−9,981	
Miscellaneous trust funds.....401	NOA	2,396	8,896	9,747	851	Non-Federal advances are deposited for shared land management activities and for construction of power and reclamation facilities.
	Exp.	2,948	3,698	7,715	4,017	
403	NOA	1,608	1,500	1,500	.....	States, counties, municipalities, and private sources contribute funds for minerals and mining research.
	Exp.	1,377	1,600	1,500	−100	
404	NOA	1,749	1,656	1,702	46	Contributions and receipts are used for fishery products inspection, sea lamprey control, and other work of the Fish and Wildlife Service.
	Exp.	1,690	1,780	1,725	−55	
405	NOA	1,068	7,937	12,764	4,827	Donations are mainly used for specified purposes of the National Park Service.
	Exp.	1,066	8,673	12,033	3,360	
409	NOA	5,851	5,700	5,700	.....	Certain revenues from Indian reservations, agencies, and schools are used for support of schools and agency functions.
	Exp.	5,983	5,950	5,800	−150	
Total, Department of the Interior.	NOA	89,959	130,128	132,368	2,240	
	Exp.	97,068	93,740	90,831	−2,909	
DEPARTMENT OF JUSTICE						
Alien property, trust revolving funds.....151	Exp.	152,812	3,116	62,832	59,716	(Seized property of enemy nations of World War II or their nationals is being liquidated and used for payment of claims and settlements. This program will be terminated in 1968.)

Federal Prison System, trust revolving fund 908	Exp.	−63	6	.....	−6	(Profits from sales of sundries in prison commissaries are used for the benefit of prison inmates.)
Total, Department of Justice.	Exp.	152,749	3,122	62,832	59,710	
DEPARTMENT OF LABOR						
Unemployment trust fund	NOA	(4,124,102)	(4,145,947)	(4,234,584)	(88,637)	The fund combines the financial activities of the Federal-State and railroad unemployment systems. Payroll taxes of employers are the principal source of receipts. States and the Railroad Retirement Board draw upon the fund to pay weekly benefits to unemployed eligibles, in addition to sickness benefits paid by the Railroad Retirement Board through this fund. Receipts include repayments of advances to States for temporary programs which extended the duration of unemployment benefits. The amounts shown for these repayments include direct payments by States to the U.S. Treasury. The increase in Federal tax collections and interest on investments is partially offset by the decline in scheduled repayments of advances for temporary extended unemployment compensation.
Receipts appropriated:						
(Deposits by States) 654		3,067,204	3,000,000	3,000,000	.....	
(Federal unemployment taxes) 652		535,432	562,209	590,000	27,791	
654		279	290	302	12	
(Railroad unemployment insurance taxes) 654		139,131	135,940	135,000	−940	
(Railroad unemployment insurance other) 654		50,175	48,060	48,000	−60	
(Interest on investments) .. 654		308,683	379,315	461,282	81,967	
(Advances for temporary unemployment compensation) 654		23,198	20,133	.....	−20,133	
Expenditures:		(2,687,019)	(2,654,647)	(2,534,062)	(−120,585)	(The number of benefit payments made during 1966 (in thousands) was 48,676; the estimate for 1967 and 1968 is 43,127. The average weekly benefit amount during 1966 was $38.51; the estimate for 1967 is $39.69, and for 1968 is $40.70.)
(Withdrawals by States) ... 654	Exp.	1,973,967	1,809,731	1,764,082	−45,649	
(Railroad unemployment benefits) 654		88,120	84,000	84,000	.....	
(Administrative expenses) .. 652		493,505	542,167	575,435	33,268	Increase in administrative costs reflect an increase of $419 in the average wage payments to State personnel and an increase in the unemployment insurance administrative costs of $3.1 million, reflecting the growth in covered employment and changes in State laws. During 1968, the resources of the Federal-State Employment Service will be directed toward increasing special services for the disadvantaged.
654		15,909	16,025	16,745	720	
(Repayment of advances for temporary extended benefits) 654		20,601	7,524	.....	−7,524	
652		2,450	3,800	3,800	.....	
(Investment in participation sales certificates) 654		.....	100,000	.....	−100,000	
(Other) 654		92,467	91,400	90,000	−1,400	

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF LABOR—Continued						
Bureau of Employees' Compensation trust funds 906	NOA	27	26	25	−1	Receipts are from employers for the deaths of employees without eligible survivors, and from fines and penalties. Payments include certain permanent disability cases and rehabilitation maintenance benefit.
	Exp.	129	150	117	−33	
Miscellaneous trust funds 652	NOA	94	30	80	50	Funds are advanced from sources outside the Federal Government to finance special statistical studies.
	Exp.	59	95	80	−15	
Total, Department of Labor	NOA	4,124,223	4,146,003	4,234,689	88,686	
	Exp.	2,687,207	2,654,647 c 245	2,534,259	−120,633	
DEPARTMENT OF STATE						
Foreign Service retirement and disability fund 654	NOA	(10,719)	(10,732)	(11,139)	(407)	A retirement and disability system for Foreign Service officers and most Foreign Service staff officers and employees is maintained. Employing agencies match employee payments of 6½% of basic salaries. Approximately 1,708 annuitants will be receiving benefits at the end of 1968. Fund balances are invested in interest-bearing U.S. securities.
Receipts appropriated:						
(Employees' contribution)		5,077	5,044	5,237	193	
(Employer's contribution)		4,013	4,058	4,252	194	
(Interest on investment)		1,630	1,630	1,650	20	
Expenditures	Exp.	9,363	11,718	12,784	1,066	
Miscellaneous trust funds 151	NOA	70	28	10	−18	Funds in 1968 are for the U.S. National Commission for UNESCO.
	Exp.	57	65	10	−55	
152	NOA	153	530	681	151	Other governments' funds are used for training of foreign nationals or requested services.
	Exp.	275	550	706	156	
153	NOA	74	60	50	−10	These funds, from gifts, are for educational exchange.
	Exp.	91	65	60	−5	
Total, Department of State	NOA	11,017	11,350	11,880	530	
	Exp.	9,785	12,398	13,560	1,162	

DEPARTMENT OF TRANSPORTATION						
Coast Guard general gift fund....502	NOA	36	7	8	1	This fund from gifts is used in support of Coast Guard training.
	Exp.	14	40	14	−26	
Bureau of Public Roads highway trust fund: 503						
Contract authorization:						
Existing legislation:						
Current	NOA		4,450,000		548,250	Receipts of the fund liquidate portions of the contract authorization. Expenditures are mainly in the form of grants to the States, but also include outlays for administration and research ($65.9 million in 1968). Legislation will be proposed to finance forest and public lands highways, including balances of prior year authorizations, from the highway trust fund beginning in 1968.
Permanent	NOA	4,050,000		4,850,000		
Proposed legislation:						
Forest highways	NOA			[A] 105,950		
Public lands highways	NOA			[A] 42,300		
Appropriation: Interest on general fund advance.	NOA	678				
Receipts to liquidate contract authorization and finance current appropriations:						
(Excise taxes):						
(Existing legislation)		(3,916,803)	(4,514,000)	(4,333,000)	(32,000)	
(Proposed legislation)				(213,000)		
(Interest on investments):						
(Existing legislation)		(7,983)	(9,000)	(40,000)	(37,000)	
(Proposed legislation)				(6,000)		
(Repayment from general fund)				(15,098)	(15,098)	
	Exp.	3,966,109	3,937,917	3,773,000	−121,917	
				[A] 43,000		

[A] Proposed for separate transmittal, other than pay supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF TRANSPORTATION— Continued						
Beauty-Safety trust fund: 503						
Proposed legislation:						
Highway beautification:						
Contract authorization	NOA			A 380,000	484,607	Legislation will be proposed to finance the highway beautification and safety programs in 1968 from a Beauty-Safety trust fund.
Current appropriation	NOA			A 104,607		
	Exp.			A 132,941	132,941	Legislation will also be proposed to provide 1968 new obligational authority for beautification of $485 million, consisting of a $105 million appropriation to cover obligated unexpended balances from prior years and contract authorizations for 1968 and 1969 programs of $160 and $220 million, respectively.
Traffic and highway safety programs:	NOA			A 38,074	38,074	New obligational authority for traffic and highway safety programs will consist of a $5.5 million appropriation to cover obligated unexpended balances from 1967 and a new appropriation of $32.5 million for the 1968 program.
	Exp.			A 23,000	23,000	
State and community highway safety programs: Contract authorization.	NOA			A 260,000	260,000	New obligational authority for State and community highway safety programs will be comprised of $160 million contract authorization to replace 1967 general fund authority which will be rescinded and additional contract authorization of $100 million for the 1968 program.
	Exp.			A 100,000	100,000	
Receipts to liquidate contract authorization and finance current appropriations:						
(Excise taxes): (Proposed legislation).				(400,000)	(400,000)	
(Interest on investments): (Proposed legislation.)				(1,800)	(1,800)	

Bureau of Public Roads international trust funds:						
Contract authorization 152	NOA	9,803			379	Advances from other countries are used for cooperative work and technical assistance.
Appropriation	NOA	553	8,781	9,160		
Receipts to liquidate contract authorization and finance current appropriation.		(6,278)	(7,539)		(−7,539)	
	Exp.	6,812	5,210	5,860	650	
Miscellaneous trust funds, Bureau of Public Roads:						
Appropriation 503	NOA	287	451	520	69	Advances from other Federal agencies, States, local governments, and nongovernmental interests are used for specia services requested by those who pay.
Receipts to liquidate contract authorization and finance current appropriation.		(529)	(49)		(−49)	
	Exp.	521	504	520	16	
Total, Department of Transportation.	NOA	4,061,357	4,459,239	4,859,688 ^930,931	1,331,380	
	Exp.	3,973,454	3,943,671	3,779,394 ^298,941	134,664	
TREASURY DEPARTMENT						
Miscellaneous trust funds 059	NOA	10				
	Exp.	10				
151	NOA	2,002	2,000	6,650	4,650	New obligational authority and expenditures for 1968 are principally for the Polish, Rumanian, and Yugoslavian claims funds.
	Exp.	3,063	7,201	8,745	1,544	
904	NOA	26,467	27,705	28,901	1,196	Increase is principally estimated work volume and increased salary costs for customs activities in Puerto Rico and Virgin Islands.
	Exp.	23,585	32,239	29,038	−3,201	
Total, Treasury Department.	NOA	28,478	29,705	35,551	5,846	
	Exp.	26,658	39,440	37,783	−1,657	
ATOMIC ENERGY COMMISSION						
Advances for non-Federal projects 058	NOA	1,215	692	416	−276	Advances from the Washington Public Power Supply System are for work related to construction of electric facilities at Richland, Wash.
	Exp.	1,143	1,191	416	−775	

^ Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
GENERAL SERVICES ADMINISTRATION						
National Archives gift fund.....905	NOA	192	202	184	−18	Grants from foundations are made for historical research.
	Exp.	284	350	359	9	
Advances and reimbursements..905	Exp.	15	12	.....	−12	(Expenditures incident to construction of Potomac Interceptor Sewer.)
National Archives (trust revolving fund).....905	Exp.	−181	−93	−144	−51	(Microfilm and reproduction service and admission fees to presidential libraries are used for operations.)
Total, General Services Administration.	NOA	192	202	184	−18	
	Exp.	117	269	215	−54	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Miscellaneous trust funds.....251	NOA	20	511	2,461	1,950	Increase is primarily for purchase of materials and services for the European Space Research Organization.
	Exp.	507	499	2,466	1,967	
VETERANS ADMINISTRATION						
Life insurance funds.....805	NOA	(740,068)	(750,462)	(753,917)	(3,455)	The National Service (World War II) and U.S. Government (World War I) life insurance funds will cover about 4.9 million policies in 1968 with a face value of over $31 billion. Premium receipts and interest earned thereon are available for the payment of liabilities. In 1968, fund balances will exceed actuarial liabilities by $94 million. The reduction in expenditures reflects accelerated dividend payments in 1967.
Receipts appropriated:						
(Premiums and other operating receipts.)		510,820	516,699	514,503	−2,196	
(Payments from general and special funds.)		5,256	5,170	4,695	−475	
(Interest on investments).....		223,993	228,593	234,719	6,126	

Expenditures	Exp.	(553,684)	(772,551)	(586,732)	(−185,819)	
(Investment in participation sales certificates.)		.....	100,000	.....	−100,000	
(Other)		553,684	672,551	586,732	−85,819	
Miscellaneous trust funds 805	NOA	**1,918**	**1,818**	**1,778**	**−40**	New obligational authority and expenditures mainly reflect the general post trust fund, used for the welfare of veterans at homes and hospitals. Decrease in expenditures reflects the completion of purchases of recreational equipment in 1967.
	Exp.	4,530	3,268	1,750	−1,518	
Total, Veterans Administration	NOA	**741,986**	**752,280**	**755,695**	**3,415**	
	Exp.	558,214	775,819	588,482	−187,337	
OTHER INDEPENDENT AGENCIES						
American Battle Monuments Commission: Contributions 805	NOA	**16**	**5**	**5**	.....	Contributions for flowers and for repair of non-Federal war memorials are used for these purposes.
	Exp.	4	18	6	−12	
Civil Service Commission:						
Civil service retirement and disability fund 654	NOA	**(2,823,371)**	**(2,989,450)**	**(3,057,950)**	**(68,500)**	Most civilian workers are covered by this fund. Under existing legislation, employees and employing agencies each pay 6½% of basic salaries. About 884,000 persons are expected to be on annuity rolls by June 1968. Fund balances are invested in U.S. securities. Receipts include $67 million in 1966, $73 million in 1967 and $71 million in 1968 from the general fund for the cost of new and increased annuity benefits.
Receipts appropriated:						
(Employing agency contributions.)		**1,097,453**	**1,140,000**	**1,140,000**	.....	
(Deductions from salaries)		**1,096,745**	**1,140,000**	**1,140,000**	.....	
(Voluntary contributions, etc.)		**82,815**	**88,800**	**86,800**	**−2,000**	
(Interest on investments)		**546,358**	**620,650**	**691,150**	**70,500**	
Expenditures:		(1,685,970)	(2,044,667)	(2,115,729)	(71,062)	
(Benefits) 654	Exp.	1,685,970	1,944,667	2,115,729	171,062	
(Investment in participation sales certificates) 654	Exp.	.....	100,000	.....	−100,000	

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
OTHER INDEPENDENT AGENCIES—Continued						
Civil Service Commission—Continued						
Employees health benefits fund (trust revolving fund) 654	Exp.	1,328	−3,764	−14,067	−10,303	(Employees health benefits fund will have 2,332,000 participants by June 1968; employees life insurance fund, 2,660,000; and retired employees health benefits fund, 191,000.)
Employees life insurance fund (trust revolving fund) 654	Exp.	−17,338	−49,451	−51,767	−2,316	
Retired employees health benefits (trust revolving fund) 654	Exp.	253	712	−150	−862	
Federal Communications Commission trust revolving fund 508	Exp.	−27	.....	.....	.....	(Fund is used as clearinghouse for settlements with foreign governments on radiotelephone and radiotelegraph messages.)
Foreign Claims Settlement Commission, War Claims fund 151	NOA	**142,500**	.....	**25,650**	**25,650**	Alien property fund receipts are appropriated for claims under the General War Claims Act.
	Exp.	5,103	91,000	146,867	55,867	
Historical and Memorial Commissions; Civil War Centennial Commission, donations 910	Exp.	.....	1	.....	−1	(Donations were used under the terms received.)
Intergovernmental Commissions:						
Appalachian Regional Commission 507	NOA	**188**	**64**	**1,439**	**1,375**	In 1968 the 12 Appalachian States will provide 50% of the operating cost to the Commission.
	Exp.	82	133	1,439	1,306	
Commission on the Status of Puerto Rico 910	NOA	**200**	.....	.....	.....	Staff activity ends in 1967 with submission of its report.
	Exp.	179	158	.....	−158	
National Capital Housing Authority trust revolving fund 555	Exp.	720	−218	−500	−282	(Activity of $32 million involves 13,900 housing units.)

National Capital Planning Commission contributed fund.....555	NOA	200	102	.....	−102	Funds are received from the District of Columbia Redevelopment Land Agency for the preparation of urban renewal plans for approval of the Board of Commissioners of the District of Columbia and for execution by the Redevelopment Land Agency.
	Exp.	454	402	.....	−402	
National Foundation on the Arts and the Humanities.....704	NOA	34	2,000	2,000	.....	Donations are accepted to support the purposes of the Foundation.
	Exp.	34	2,000	2,000	.....	
National Science Foundation....703	NOA	1	.....	.....	.....	Donations are used in furtherance of general purposes of the Foundation.
Railroad Retirement Board: Railroad retirement account....654	NOA	(1,405,310)	(1,571,501)	(1,577,639)	(6,138)	The Railroad retirement system combines social insurance and staff retirement for workers in the railroad industry. Although employment in the industry continues its long-term decline, increases in average earnings contribute to the higher tax receipts. A proposed increase in the wage base in 1968 will provide additional receipts, estimated at $22.8 million.
Receipts appropriated:						
(Employment taxes).....		677,489	739,300	777,200 [A] 22,800	60,700	
(Interest on investments).....		150,011	163,600	171,800	8,200	
(Payment from OASI trust fund.)		443,820	532,000	477,000	−55,000	Expenditure rises in 1967 and 1968 are due to accretions to the rolls, a gradual increase in average benefits because of higher average wages, and liberalizations in benefit levels and entitlement from legislation effective November 1966. Further increases in some benefits will result in 1968 from proposed changes in the social security program, which affect benefits protected by minimum guarantee provisions of the Railroad Retirement Act. The cost impact is expected to be $100 million in 1968.
(Payment from Federal disability insurance trust fund.)		24,962	28,000	21,000	−7,000	
(Payment for military service credits.)		16,558	17,201	17,839	638	
(Payment of advances to Railroad unemployment insurance account.)		81,530	82,000	82,000	.....	
(Interest on refunds).....		3	.....	.....	.....	Beginning in November 1966, certain retirees who have attained age 65 and have at least 25 years of creditable service are en-
(Other).....		10,937	9,400	8,000	−1,400	

[A] Proposed for separate transmittal, other than pay supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
OTHER INDEPENDENT AGENCIES—Continued						
Railroad Retirement Board—Continued						
Expenditures 654	Exp.	(1,245,991)	(1,356,650)	(1,487,600)	(130,950)	titled to a supplemental railroad retirement annuity equal to $45 for 25 years of service and $5 for each additional year up to a maximum of $70. The supplemental annuity will be financed entirely by employer contributions.
(Benefit payments)		1,193,562	1,238,700	1,289,500 [A]100,500	151,300	
(Administrative expenses)		11,531	11,470 [A]1,175	12,600	−45	
(Advances for unemployment insurance.)		40,895	39,000	39,000	----------	The number receiving monthly benefits at the end of each year is as follows (in thousands):
(Payment to Federal hospital insurance trust fund.)		----------	16,305	46,000	29,695	
(Interest on refunds)		3	----------	----------	----------	
(Investment in participation sales certificates.)		----------	50,000	----------	−50,000	
Railroad retirement supplemental account 654	NOA	----------	(20,500)	(35,500)	(15,000)	
Receipts appropriated:						
(Employment taxes)		----------	20,300	34,800	14,500	
(Interest on investments)		----------	200	700	500	
Expenditures		----------	(9,330)	(23,250)	(13,920)	
(Benefit payments)	Exp.	----------	9,000	23,000	14,000	
(Administrative expenses)		----------	----------	250	−80	
			[A]330			
Smithsonian Institution trust funds 704	NOA	20	2,093	2,262	169	Beginning in 1967, the District of Columbia advances funds for the operation of the National Zoological Park.
	Exp.	24	2,005	2,215	210	
Tax Court of the United States trust fund 904	NOA	31	28	28	----------	Judges pay 3% and the Government pays the remainder to finance the survivors annuity system.
	Exp.	7	20	20	----------	

	1966 *actual*	1967 *estimate*	1968 *estimate*
Retired individuals [a]	525	538	541
Disabled [b]	101	101	101
Survivors	294	304	310
Supplemental annuities	---	19	34

[a] Includes wives of retired and disabled individuals.
[b] Includes disabled retirees over age 65.

United States Information Agency trust funds 153	NOA	12	29	24	−5	Decrease due to lower advances from foreign governments for purchase of USIA products.
	Exp.	10	30	25	−5	
Total, other independent agencies.	NOA	4,731,883	4,585,772	4,679,697 [A]22,800	116,725	
	Exp.	2,922,794	3,452,188 [A]1,505	3,612,167 [A]100,500	258,974	
DISTRICT OF COLUMBIA						
District of Columbia receipts appropriated:						
Current appropriations 555	NOA	437,207	498,988 [A]2,185 [B]706 [C]13,425	619,889 [A]1,327	105,912	Funds of the municipal government are accounted for through the U.S. Treasury as trust funds. Congressional appropriations of municipal funds are required currently for most municipal activities. Supplemental in 1967 provides for summer recreation programs, equipment and capital outlay for anti-crime programs, and other local activities including guarantee of student loans. Recommended pay increase for policemen is included in 1967 and 1968 supplemental (under proposed legislation).
Permanent appropriations 555	NOA	1,667	1,405	1,792	387	
	Exp.	429,695	545,654 [A]2,185 [B]706 [C]12,793	633,311 [A]1,327 [C]632	73,932	
DEPOSIT FUNDS						
Legislative Branch	Exp.	−286	−201	−200	1	(These funds account for collections that are either (a) held in suspense temporarily and later refunded, or paid into some other fund of the Government; or (b) held by the Government as banker or agent for others. These amounts are the net change in balances of all deposit funds in each agency. A negative figure indicates an excess of receipts over disbursements.)
The Judiciary	Exp.	−239				
Executive Office of the President	Exp.	−15				
Funds appropriated to the President	Exp.	−18,808	−27,455	−28,661	−1,206	
Department of Agriculture	Exp.	9,870	−10,937	−9,829	1,108	
Department of Commerce	Exp.	−3,861	1,859	−67	−1,926	
Department of Defense—Military	Exp.	−19,686	12,600	38,200	25,600	
Department of Defense—Civil	Exp.	−8,018	−8,124	−8,124		
Department of Health, Education, and Welfare	Exp.	63,772	−191	−200	−9	
Department of Housing and Urban Development	Exp.	10,313				

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPOSIT FUNDS—Continued						
Department of the Interior	Exp.	34,310	−50,000	−50,000		
Department of Justice	Exp.	−780	150	−200	−350	
Department of Labor	Exp.	−377	−375	−375		
Post Office Department	Exp.	−32,037	1,000	56,000	55,000	
Department of State	Exp.	−1,488				
Department of Transportation	Exp.	−1,185	−1,028	−11,594	−10,566	
Treasury Department	Exp.	−494,170	−100,000	−100,000		
Atomic Energy Commission	Exp.	−445				
General Services Administration	Exp.	−8,315	8,360	−65	−8,425	
National Aeronautics and Space Administration	Exp.	−121	3,450		−3,450	
Veterans Administration	Exp.	−511	−510	−510		
Independent Offices:						
Farm Credit Administration	Exp.	−1,405	−2,500	−4,600	−2,100	
Federal Deposit Insurance Corporation	Exp.	399	50	50		
Federal Home Loan Bank Board	Exp.	−41,479	10,000	−2,000	−12,000	
Smithsonian Institution	Exp.	1,246	200		−200	
Other	Exp.	−5,483	2,998	−107	−3,105	
District of Columbia	Exp.	−1,669	1,308		−1,308	
Total, deposit funds	Exp.	−520,462	−159,346	−122,282	37,064	

GOVERNMENT-SPONSORED ENTERPRISES						
Farm Credit Administration: Banks for Cooperatives 352	Exp.	154,311	276,418	272,200	−4,218	(Bank operations are financed by $41.2 million of Government capital and $113.3 million of private capital as of June 1966.)
Federal Intermediate Credit Banks 352	Exp.	390,887	500,022	399,900	−100,122	(Bank operations are financed by $125.8 million of Government capital and $78.6 million of private capital as of June 1966.)
Federal Land Banks 352	Exp.	573,545	628,000	625,000	−3,000	(Banks are wholly privately owned enterprise.)
Federal Home Loan Bank Board: Home loan banks 551	Exp.	1,292,745	1,049,530	−400,000	−1,449,530	(Banks are wholly privately owned enterprise.)
Federal Deposit Insurance Corporation 506	Exp.	−227,022	−229,500	−255,500	−26,000	(Premium receipts and interest on investments in U.S. securities exceed current claims and expenses; corporation has no capital stock.)
Total, Government-sponsored enterprises.	Exp.	2,184,466	2,224,470	641,600	−1,582,870	

GRAND TOTALS—TRUST FUNDS

Total new obligational authority	36,684,182	50,825,368 [A] 2,185 [B] 799 [C] 13,559	49,114,759 [A] 1,115,058	−612,094
Expenditures:				
Subtotal	35,634,190	41,615,992	45,236,616	3,620,624
Interfund transactions	−769,844	−734,020	−729,789	4,231
Total expenditures	34,864,346	40,850,676 [A] 5,701 [B] 796 [C] 24,799	39,964,921 [A] 4,540,843 [B] 3 [C] 1,060	3,624,855

[A] Proposed for separate transmittal, other than pay supplemental.
[B] Proposed for separate transmittal, wage-board supplemental.
[C] Proposed for separate transmittal, civilian pay act supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1966 enacted	1967 estimate	1968 estimate	Increase or decrease (−)	Explanation of NOA requests
MEMORANDUM—ANNEXED BUDGETS						
Department of Agriculture:						
Milk Marketing Administration:						
Not included above	Exp.	−276	−2		2	(Operations are financed by assessments on regulated milk handlers.)
Treasury Department:						
Comptroller of the Currency:						
Included under "Deposit funds" above.*	Exp.	−1,842	−819	−1,384	−565	(Operations are financed primarily by assessments from national banks.)
Exchange Stabilization Fund:						
Included under "Deposit funds" above.	Exp.	−386,496				(The fund is financed by $200 million of Government capital and by earnings.)
Operating expenditures	Exp.	(5,415)	(4,854)	(5,470)	(616)	
Other Independent Agencies:						
Board of Governors of Federal Reserve System:						
Not included above*	Exp.	251	−181	−238	−57	(Operations are financed by levies upon the Federal Reserve banks, in proportion to their capital and surplus.)
Farm Credit Administration:						
Banks for Cooperatives:						
Included under "Government-sponsored enterprises" above.	Exp.	154,311	276,418	272,200	−4,218	(Loan program is estimated at $2.3 billion in 1968, which is $305 million more than the estimated loans for 1967. Repayments of loans and other income will be supplemented by borrowing from the public of $305 million in 1967 and $283 million in 1968. Government capital is being retired by $7.5 million in 1967 and $7.3 million in 1968. See further explanation under Government-sponsored enterprises, above.)
Included under "Deposit funds" above.	Exp.	45	1,565	−3,283	−4,848	
Not included above	Exp.	14,454	30,225	8,000	−22,225	
Total	Exp.	168,810	308,208	276,917	−31,291	

Federal intermediate credit banks:						
Included under "Government-sponsored enterprises" above.	Exp.	390,887	500,022	399,900	−100,122	(Loan program is estimated at $7.9 billion for 1968, which is $763 million more than the estimated loans for 1967. Repayments of loans and other income will be supplemented by borrowing from the public of $507 million in 1967 and $410 million in 1968. See further explanation under Government-sponsored enterprises, above.)
Included under "Deposit funds" above.	Exp.	−181	−3,008	−78	2,930	
Not included above		−26,335	5,550	10,000	4,450	
Total		364,371	502,564	409,822	−92,742	
Federal Deposit Insurance Corporation:						
Included under "Government-sponsored enterprises" above.	Exp.	−227,022	−229,500	−255,500	−26,000	(Insured deposits continue to grow with expansion of the population and the economy. The cumulative net income, which is being retained as a reserve, is estimated to be approximately $3.4 billion by June 1967 and $3.6 billion by June 1968. The principal revenues are from insurance assessments (approximately $113 million for 1967 and $116 million for 1968) and interest on investments ($133 million and $148 million for the same 2 years). See further explanation under Government-sponsored enterprises, above.)
Included under "Deposit funds" above.	Exp.	399	50	50	.....	
Total		−226,623	−229,450	−255,450	−26,000	
Total:						
Included under "Government-sponsored enterprises" above.	Exp.	318,176	546,940	416,600	−130,340	
Included under "Deposit funds" above.	Exp.	−388,075	−2,212	−4,695	−2,483	
Not included above	Exp.	−11,906	35,592	17,762	−17,830	
Total, annexed budgets	Exp.	−81,805	580,320	429,667	−150,653	

*Amounts reported are on a calendar year basis.

PART 6

SPECIAL ANALYSES

SPECIAL ANALYSIS A

THREE MEASURES OF FEDERAL FINANCIAL TRANSACTIONS

There are many ways that Government finances can be analyzed, depending on the uses to which the information is to be put. Special Analysis A presents the meaning and relationship between the three most commonly used concepts of Federal Government finances: (1) the administrative budget, (2) the consolidated cash statement, and (3) the Federal sector of the national income accounts.

The administrative budget is the narrowest concept of Federal finances. It serves for administrative decisionmaking, but its coverage is not comprehensive enough for economic analysis. The consolidated cash budget is the broadest concept discussed in this special analysis. It aids in determining the impact of Federal finances on the money market by showing the flow of money between the public and the Federal Government. The Federal sector of the national income accounts provides a measure of Federal finances comparable to the national income and product totals as measured for the rest of the economy and is specially designed for the analysis of the fiscal impact of the Federal Government.

For certain types of problems, none of these measures of receipts and expenditures will serve adequately. Economic activity may be affected by Government transactions which are not reflected immediately or fully in receipts and expenditures. For example, a rapid expansion in new appropriations and in Government orders could stimulate a rise in business activity well before either the delivery of goods, the performance of services, or the payment for them. The management of public debt, loan guarantees, and loan insurance programs has a significant impact in the money and credit markets of the economy not fully reflected by the level of budget expenditures. Consequently, in evaluating the economic impact of Federal Government activities, there is no substitute for complete and detailed analysis of the Government program in all its aspects.

Administrative Budget

The administrative budget covers receipts and expenditures of funds owned by the Federal Government. These include general fund, special funds, public enterprise funds, and intragovernmental revolving and management funds. Internal transactions between these Federal accounts (i.e., "interfund" transactions) are excluded from the total. Gross collections of business-type activities (such as the Post Office) are normally subtracted from their gross outlays and the difference is recorded in the administrative budget as "net expenditures."

Although budget documents placed before the Congress have regularly presented detailed information on the financial transactions of both federally owned funds and funds held in trust by the Government, only the former have been traditionally used as representing the budget totals. For many years, the administrative budget has served as the principal financial plan for conducting the affairs of Government. It is the focal point for management and decision-

making with respect to Government activities which are financed by the Government's own funds.

Table A-1. **RELATION OF THREE MEASURES OF FEDERAL RECEIPTS AND EXPENDITURES, 1966–68** [1]

[In billions of dollars]

	1966 actual	1967 estimate	1968 estimate
RECEIPTS			
Administrative budget receipts	104.7	117.0	126.9
Plus: Trust fund receipts	34.9	44.9	48.1
Less: Intragovernmental transactions	4.5	6.2	6.5
Receipts from exercise of the monetary authority	.6	1.1	.5
Equals: Federal receipts from the public	134.5	154.7	168.1
Less: Exclusions from the Federal sector, national income accounts:			
Loans repaid	.3	.4	.2
Items classified in another sector:			
District of Columbia	.3	.3	.4
Foreign military assistance trust fund	.7	1.1	1.4
Plus: Exclusions from Federal receipts from the public:			
Excess of accruals (+) over collections (−)	−1.2	−3.9	+.4
Employer and employee contributions to Federal retirement funds	2.3	2.3	2.3
Plus: Miscellaneous netting, grossing, and related adjustments:			
Receipts netted against expenditures	−1.2	−1.0	−1.0
Other	−.5	−.5	−.7
Equals: Federal receipts, national income and product accounts	132.6	149.8	167.1
EXPENDITURES			
Administrative budget expenditures	107.0	126.7	135.0
Plus: Trust fund expenditures [2]	34.9	40.9	44.5
Less: Intragovernmental transactions	4.5	6.2	6.5
Debt issued in lieu of checks and other adjustments	−.4	.6	.7
Equals: Federal payments to the public	137.8	160.9	172.4
Less: Exclusions from the Federal sector:			
Loans and financial transactions:			
Lending: net	3.2	4.3	1.8
Federal land banks and Federal home loan banks	1.9	1.7	.2
Acquisition of foreign currency for financing agricultural exports	1.0	1.1	1.0
Items classified in other sectors:			
District of Columbia	.4	.5	.6
Foreign military assistance trust fund	.8	1.1	1.4
Plus: Exclusions from Federal payments to public:			
Excess of deliveries or accruals (+) over payments (−)	−.3	+.2	+.4
Employer and employee contributions to Federal retirement funds	2.3	2.3	2.3
Plus: Miscellaneous netting, grossing, and related adjustments:			
Receipts netted against expenditures	−1.2	−1.0	−1.0
Other	1.0	*	.1
Equals: Federal expenditures, national income, and product accounts	132.3	153.6	169.2

*Less than $50 million.

[1] The Federal sector receipts and expenditures are identical to those published by the Department of Commerce in the "Survey of Current Business."

[2] Includes Government sponsored enterprises, net.

As long as almost all Federal financial transactions were carried out with federally owned funds, the administrative budget provided adequate coverage. In recent years, however, trust fund operations which are not included in administrative budget totals have grown rapidly. As a result, the flow of financial transactions between the Federal Government and the public is considerably larger than is shown by the administrative budget. For this reason, the consolidated cash statement of Federal receipts from and payments to the public was developed to present more fully the flow of total cash transactions (excluding Federal borrowing) between the Federal Government and the public. The consolidated cash statement is particularly useful for determining Government financing needs and for analyzing the financial interrelationships between the Federal Government and the private credit markets.

Consolidated Cash Statement

The consolidated cash statement is the sum of the administrative budget and trust funds, less any transactions which do not actually represent a cash receipt from or payment to the public. Table A–2 provides summary information on both the receipts and expenditures of the administrative budget and the trust funds.

Table A–2. **ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS AND EXPENDITURES** (in billions of dollars)

Description	Administrative budget funds			Trust funds		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
RECEIPTS						
Individual income taxes	55.4	62.2	73.2			
Corporation income taxes	30.1	34.4	33.9			
Employment taxes				20.0	26.4	28.4
Excise taxes	9.1	9.3	8.8	3.9	4.5	4.9
Unemployment tax deposits by States				3.1	3.0	3.0
Other receipts	10.7	11.9	11.7	8.6	11.7	12.5
Interfund transactions	−.6	−.8	−.7	−.8	−.7	−.7
Total receipts	104.7	117.0	126.9	34.9	44.9	48.1
EXPENDITURES						
National defense	57.7	70.2	75.5	.8	1.1	1.4
International affairs and finance	4.2	4.6	4.8	.2	.1	.2
Space research and technology	5.9	5.6	5.3	*	*	*
Agriculture and agricultural resources	3.3	3.0	3.2	1.2	1.4	1.2
Natural resources	3.1	3.2	3.5	.1	.1	.1
Commerce and transportation	3.0	3.5	3.1	3.8	3.7	3.7
Housing and community development	.3	.9	1.0	3.2	3.0	1.0
Health, labor, and welfare	7.6	10.4	11.3	26.4	31.5	37.1
Education	2.8	3.3	2.8	*	*	*
Veterans benefits and services	5.0	6.4	6.1	.6	.8	.6
Interest	12.1	13.5	14.2			
General government	2.5	2.7	2.8	*	*	*
Deposit funds (net)				−.5	−.2	−.1
Allowances		.1	2.2			
Interfund transactions	−.6	−.8	−.7	−.8	−.7	−.7
Total expenditures	107.0	126.7	135.0	34.9	40.9	44.5
Excess of receipts (+) or expenditures (−)	−2.3	−9.7	−8.1	*	+4.0	+3.6

*Less than $50 million.

Trust funds are derived from special taxes or other special sources, held in trust, and then spent for the specific purposes of the trust. While the administrative budget totals do not include the transactions of trust funds, several important parts of the Government's program are carried out through such funds, particularly unemployment insurance, social security, and highway construction.

Trust fund expenditures also include the net expenditures of five Government-sponsored enterprises: The Federal Deposit Insurance Corporation, the Federal home loan banks, the Federal land banks, the banks for cooperatives, and the Federal intermediate credit banks. Deposit funds, which are used to account for money that is either held in suspense temporarily or is held by the Government as banker or agent for others, are also recorded net along with the trust funds.

Table A-3. **DERIVATION OF CONSOLIDATED CASH TOTALS**

[Fiscal years. In billions of dollars]

Description	1966 actual	1967 estimate	1968 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Administrative budget receipts	104.7	117.0	126.9
Trust fund receipts	34.9	44.9	48.1
Adjustments:			
Intragovernmental transactions: Federal receipts which are also Federal expenditures (table A-4)	−4.5	−6.2	−6.5
Receipts from the exercise of monetary authority [1]	−.6	−1.1	−.5
Total, Federal receipts from the public	134.5	154.7	168.1
FEDERAL PAYMENTS TO THE PUBLIC			
Administrative budget expenditures	107.0	126.7	135.0
Trust fund expenditures	34.9	40.9	44.5
Adjustments:			
Intragovernmental transactions (table A-4)	−4.5	−6.2	−6.5
Debt issuance in lieu of checks	−.5	−.5	−.6
Revolving fund receipts from exercise of monetary authority		*	*
Increase (+) or decrease (−) in outstanding checks, etc.	+1.0	−.1	−.1
Total, Federal payments to the public	137.8	160.9	172.4
Excess of Federal receipts from (+) or payments to (−) the public	−3.3	−6.2	−4.3

*Less than $50 million.
[1] Includes small amount for excess profits tax refund bonds.

Relationship of the Consolidated Cash Statement to the Administrative Budget

The following adjustments are needed to derive cash transactions with the public from the sum of the administrative budget and trust funds:

1. *Intragovernmental transactions.*—Administrative budget receipts include amounts paid into the Treasury by trust funds, such as reimbursement for the cost of collecting payroll taxes and other services. (These amounts are also reported as trust fund expenditures.) Simi-

larly, there are trust fund receipts, such as interest on trust fund holdings of U.S. securities, which are also reported as administrative budget expenditures. In consolidating the transactions of budget and trust funds, these intragovernmental transactions are eliminated from the combined receipts and expenditures since no exchange of cash with the public is involved in these operations.

Table A-4. **INTRAGOVERNMENTAL TRANSACTIONS EXCLUDED FROM THE CONSOLIDATED CASH STATEMENT**

[In millions of dollars]

Description	1966 actual	1967 estimate	1968 estimate
Administrative budget receipts which are trust fund expenditures:			
Franchise taxes from Government-sponsored enterprises	5	4	3
Dividends, interest, etc., from Federal National Mortgage Association	19	32	30
Reimbursements for expenses and services	74	80	83
Repayment of interest and advances from unemployment trust fund and other	21	8	----------
Total, administrative budget receipt items	120	124	116
Trust fund receipts which are administrative budget expenditures:			
Interest on trust funds	1,908	2,268	2,685
Contributions for military service credits	17	227	123
Federal supplementary medical insurance	----------	623	658
Transitional coverage for hospital insurance	----------	327	273
Payments to District of Columbia (including Federal grants-in-aid)	125	192	204
Employing agencies' payments to employees' retirement funds	1,160	1,208	1,206
Awards to Indian tribal funds	25	50	50
Contributions to veterans life insurance funds	5	5	5
Other	1	1	1
Total, trust fund receipt items	3,239	4,900	5,204
Deductions from employees' salaries for retirement	1,092	1,135	1,135
Total intragovernmental transactions	4,451	6,159	6,454

2. *Exercise of monetary authority.*—These receipts now come mostly from seigniorage; that is, they represent the difference between the cost of the metal in coins and the face value of the coins as money. Seigniorage is included in administrative budget receipts, but is not a cash receipt from the public.

3. *Debt issuance in lieu of checks.*—In a few cases, Government expenditures are made by issuing bonds or notes, or increasing the value of bonds outstanding in lieu of issuing checks. For example, the administrative budget records interest on savings bonds when it accrues while the cash budget records it when the bonds are cashed. The Federal Government also paid part of its subscriptions to international financial institutions in non-interest-bearing notes. These notes were recorded as administrative budget expenditures when they were issued, but only become cash expenditures when they are redeemed for cash.

4. *Changes in outstanding checks.*—Administrative budget and trust fund expenditures are recorded at the time checks are issued. To

reflect more accurately the point in time at which cash payments actually affect Treasury cash balances, an adjustment is made to place expenditures on a checks-paid basis.

A separate document entitled *Receipts From and Payments to the Public* is prepared each year in conjunction with the budget providing more detailed information concerning the derivation of the consolidated cash budget. This booklet is available on request from the Bureau of the Budget, 17th and Pennsylvania Avenue NW., Washington, D.C. 20503.

Federal Sector of the National Income Accounts

The third major measure of Government finances is the Federal sector of the national income accounts. This measure records transactions that affect current income or output, and shows them as part of the total system of national income accounts. The concepts and accounting system used in the national income accounts budget have been formulated by the Office of Business Economics of the Department of Commerce as part of the official national income statistics of the United States.

Relationship of Consolidated Cash to the Federal Sector of the National Income Accounts

1. *Loans and financial transactions.*—The national income accounts are designed to record current income and production. Certain cash transactions are not an addition to the Nation's total income or gross national product but are rather an exchange of financial instruments. There are three categories of such activty.

a. Cash loans transactions are excluded from the national income accounts. Loans and repayment of loans are included in the cash budget either as *net* expenditures or as receipts. However, the amount of loan repayment included in cash receipts is small—most loan repayments flow into revolving funds and are reflected in reduced cash expenditures.

b. Two privately owned Government-sponsored enterprises—the Federal land banks and the Federal home loan banks—are not included in the Federal sector accounts. Since most of their activities are lending, they are shown in table A–1 under loans and financial transactions.

c. The Commodity Credit Corporation facilitates exports of agricultural products by purchasing foreign currencies from U.S. exporters. This expenditure of dollars for foreign currency is excluded in the national income accounts because it is an exchange of financial assets. When the foreign currency is expended it is then included in the national income accounts.

2. *Items classified in another sector.*—The District of Columbia is included with the State and local governments in the national income accounts, so their cash receipts and expenditures are excluded from the Federal sector. The foreign military assistance trust fund records the receipt and expenditure of money received from foreign governments for the purchase of military equipment. The purchase of equipment is recorded in the GNP as part of net exports. Since the exports are financed by the receipts, both the receipts and expenditures of the trust fund are excluded from the Federal sector.

3. *Excess of deliveries or accruals* (+) *over payments* (−).—Most taxes are recorded in the national income accounts as they are accrued by the private sector, rather than when they are collected by the Government. The principal timing adjustments for expenditures are: (a) Federal purchases are measured, insofar as is possible, in terms of the delivery of goods and the performance of services to the Government; (b) interest on savings bonds and Treasury bills is treated as an expenditure in the Federal sector account when the interest is accrued, and (c) the issuance of checks is considered a better reflection of timing, so the adjustment for checks outstanding that is made in deriving the cash totals is reversed.

4. *Employer and employee contributions to Federal retirement funds.*—Contributions to Federal employees' retirement funds are excluded from the consolidated cash statement as intragovernmental transactions. In the national income accounts, however, these contributions are considered to be part of the compensation of Government employees and part of Federal tax receipts.

5. *Miscellaneous netting, grossing, and related adjustments.*—Expenditures of government enterprises are recorded in the national income accounts net of receipts derived from the sale of their products or services. Where these receipts appear in consolidated cash receipts, they are netted against expenditures in the Federal sector account.

The other miscellaneous adjustments include purchase or sale of land, certain geographical exclusions (such as Guam) and a number of adjustments which can be identified in total but cannot readily be broken into their component adjustments using budget data.

The net results of these adjustments are shown in table A–5 which shows the Federal sector receipts and expenditures by category.

Table A-5. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS [in billions of dollars]

Description	1966 actual	1967 estimate	1968 estimate
RECEIPTS, NATIONAL INCOME BASIS			
Personal tax and nontax receipts	57.9	65.5	76.8
Corporate profits tax accruals	30.7	32.3	35.3
Indirect business tax and nontax accruals	15.9	16.5	16.9
Contributions for social insurance	28.1	35.5	38.1
Total receipts, national income basis	132.6	149.8	167.1
EXPENDITURES, NATIONAL INCOME BASIS			
Purchases of goods and services	71.7	83.6	91.9
Transfer payments	34.3	39.8	46.6
Grants-in-aid to State and local governments	12.9	14.8	16.7
Net interest paid	9.1	10.0	10.5
Subsidies less current surplus of Government enterprises	4.5	5.4	3.5
Total expenditures, national income basis	132.3	153.6	169.2
Surplus (+) or deficit (−), national income basis	+0.3	−3.8	−2.1

Categories Included in the Federal Sector of the National Income Accounts

Federal sector receipts.—Federal receipts on a national income basis largely reflect the tax payments or liabilities of individuals, corporations, and other businesses arising out of incomes earned as well as other tax and nontax receipts. These receipts are classified into the following four categories: (1) Personal tax and nontax receipts, (2) corporate profits tax accruals, (3) indirect business tax and nontax accruals, and (4) receipts from contributions for social insurance.

1. *Personal tax and nontax receipts* consist mostly of individual income taxes, estate and gift taxes, fines, fees, and rental receipts.

2. *Corporate profits tax accruals* represent the Federal tax liability incurred and accrued by resident corporations on their corporate earnings during the specified year or period. Collections of Federal corporate income taxes have usually lagged the accruals, but the program of accelerating corporate tax payments to reduce the lag between accrual of liability and actual collections results in a negative timing adjustment in fiscal 1967 which will become much smaller in fiscal 1968.

3. *Indirect business tax* and nontax accruals consist primarily of excise taxes, customs duties, and Federal receipts from rent and royalties.

4. *Contributions for social insurance* are composed chiefly of employment taxes, contributions to the retirement funds for Government employees, and deposits by the States to the unemployment trust fund.

Federal sector expenditures.—Federal expenditures on a national income basis represent either purchases of currently produced goods and services or outlays which directly affect current levels of income. These expenditures are classified in the following five categories: (1) purchases of goods and services, (2) transfer payments, (3) grants-in-aid to State and local governments, (4) net interest paid, and (5) subsidies less current surplus of Government enterprises. The definitions of the categories have been developed by the Department of Commerce consistent with the framework of accounts covering the Nation's total economic activity:

1. *Purchases of goods and services* represent the value of the Nation's output bought directly by the Federal Government. Expenditures for goods and services represent the production and use of resources and constitute a part of the gross national product.

Purchases include the pay of active military and civilian employees of the Federal Government, employer contributions for retirement, insurance, and other benefits for Federal employees, deliveries of equipment and supplies for defense and other programs, construction payments on research and development contracts with corporations and on similar purchases from private nonprofit institutions, expenditures for the purchase of commodities to be donated to schools or similar institutions, and generally, the administrative expenses of Government programs.

2. *Transfer payments* consist of expenditures by the Federal Government for which no current output or services have been rendered. Examples of transfer payments are: veterans compensation, pensions, and benefits; retired pay to Federal civilian or military personnel;

250-000 O—67——26

unemployment benefits; old-age, survivors, and disability insurance; nonrepayable outlays for scholarships and fellowships; and payments for construction of private nonprofit hospitals and medical care for the aged.

Although transfer payments do not directly enter GNP calculations as a Federal Government component, they do enter into the income stream and have an impact on national output when respent by the recipients.

3. *Grants-in-aid to State and local governments*, for purposes of the national income accounts, are Federal payments (other than for interest on the public debt) to State and local governments, including State and local educational institutions. Most of the grants-in-aid and the shared revenues in Special Analysis J of the budget are included in grants in the national income accounts. Like transfer payments and net interest paid, Federal grants-in-aid are counted in the GNP when spent by recipients—in this case, as purchases by State and local governments or as consumption expenditures of individuals receiving State or local transfer payments.

4. *Net interest paid* consists of the interest outlays to residents (including State and local governments) minus the interest received from them.

5. *Subsidies less current surplus of Government enterprises* consists of two elements which are consolidated for analytical and statistical reasons: (a) subsidy payments to resident businesses, and (b) the "current surplus" or "deficit," as the case may be, of Government enterprises.

(a) In principle, a Government expenditure becomes a subsidy when it enables a producer to sell goods and services below the cost-price relationship determined by market forces or when it is a payment made to curtail production. By definition, therefore, subsidies are made only to businesses organized for profitmaking purposes (including farms). Examples of subsidies are Government payments to farmers for land retirement, payments to air carriers, and the operating differential subsidy of the Maritime Administration.

(b) Government enterprise is the term applied to those functions of the Government (usually appearing in the budget as public enterprise revolving funds) whose operating costs are to a great extent covered by the sale of goods and services to the public, as opposed to being financed by tax receipts. In short, Government enterprises conduct operations which are of a commercial nature. The difference between their sales and operating expenses constitutes the surplus or deficit of Government enterprises. The Post Office and the Tennessee Valley Authority are two of the largest enterprises.

SPECIAL ANALYSIS B

PUBLIC ENTERPRISES, TRUST FUNDS, AND GROSS EXPENDITURES OF THE GOVERNMENT

This analysis presents selected information on the financing of public enterprise funds and the trust funds. It also covers certain receipts and reimbursements from outside the Treasury to general fund appropriations and other accounts which are netted in the administrative budget expenditures, and it indicates the magnitude of total expenditures gross of such netting. Additional tables in this special analysis relating to borrowing and investments in U.S. securities are an integral part of the computation of the changes in public debt in table 11 of part 2 of the budget.

PUBLIC ENTERPRISE FUNDS

The public enterprise funds are federally owned funds which carry on a cycle of operations, primarily with the public, organized usually on a business-type basis. Some of them are incorporated enterprises; others are unincorporated. Their expenditures have been included, on a net basis, in the administrative budget for many years. The general fund usually supplies them with capital; the provision of such capital, its return, and any dividends given to the general fund are not counted in the budget totals as expenditures or receipts.

Expenditures and receipts.—Gross expenditures of public enterprise funds are estimated to be $28.7 billion in 1968, and their receipts will be $27.3 billion (table B–1), resulting in net expenditures of $1.4 billion which are included in the administrative budget totals. The Commodity Credit Corporation and the postal fund together account for slightly less than half of the expenditures. The figures for both 1967 and 1968 take account of both existing and proposed legislation.

The expenditures in table B–1 include certain interfund payments to the general fund, principally for interest (see note at end of table 13). The receipts shown in table B–1 are generally from the public; but they include some transactions from within the Government—notably, the sales of Commodity Credit Corporation inventories and services to appropriations for special activities, accounting for $2.4 billion of the Commodity Credit Corporation receipts shown for 1968. The sales of Tennessee Valley Authority power to Government agencies, payments by all agencies to the Post Office for postal services, and interest paid to certain funds on their investments are other examples of such intragovernmental receipts included in table B–1.

Table B-1. **GROSS EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS** (in millions of dollars)

Description	Gross expenditures			Applicable receipts		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Funds appropriated to the President:						
Economic assistance	1,018	1,218	1,224	60	69	91
Other	102	349	418	314	400	428
Department of Agriculture:						
Commodity Credit Corporation [1]	8,403	9,001	7,475	6,884	7,103	5,646
Farmers Home Administration	1,128	1,569	1,879	1,010	2,194	2,550
Rural Electrification Administration (proposed new fund)	-------	440	508	-------	194	201
Consumer and Marketing Service (proposed new fund)	-------	-------	11	-------	-------	11
Other	44	30	41	34	37	41
Department of Commerce	120	241	280	123	253	362
Department of Defense:						
Military	18	33	52	18	30	33
Civil (Panama Canal Company)	128	141	139	132	142	145
Department of Health, Education, and Welfare:						
Office of Education (proposed new fund)	-------	-------	-------	-------	-------	100
Other	8	24	76	8	126	127
Department of Housing and Urban Development:						
College housing loan fund	402	448	397	90	701	1,659
Urban renewal fund	293	640	379	256	592	360
Federal National Mortgage Association	2,274	2,924	2,421	2,739	3,107	2,548
Federal Housing Administration	985	1,025	1,006	798	904	998
Low-Rent Public Housing fund	426	470	527	189	205	252
Other	452	582	753	27	109	209
Department of the Interior:						
Existing legislation	128	132	124	52	56	56
Proposed new funds	-------	205	224	-------	151	165
Department of Labor	210	295	304	213	298	308
Post Office Department	5,927	6,373	6,699	5,039	5,165	6,155
Department of Transportation	32	25	19	20	22	22
Treasury Department:						
Existing legislation	1	1	2	1	1	2
Proposed new fund	-------	-------	95	-------	26	95
General Services Administration	*	*	*	*	*	*
Veterans Administration	638	749	767	1,328	641	1,269
Other independent offices:						
Export-Import Bank of Washington	1,147	1,629	1,720	1,532	1,501	2,085
Federal Savings and Loan Insurance Corporation	56	108	1	312	238	318
Small Business Administration	583	558	638	729	687	599
Tennessee Valley Authority	405	469	503	351	390	392
Other	22	23	21	29	31	30
Total	24,953	29,705	28,705	22,291	25,377	27,258
Receipts from the public	-------	-------	-------	(16,580)	(18,638)	(21,442)
Receipts from other accounts	-------	-------	-------	(5,711)	(6,739)	(5,816)

* Less than one-half million dollars.

[1] Includes advances from foreign assistance and special export programs of $1,686 million in 1966, $1,617 million in 1967, and $1,796 million in 1968.

Capital and borrowing.—Capital requirements of the public enterprise funds are usually supplied through new obligational authority (either appropriations or some other form of NOA) from the general fund. While most public enterprise funds are operated to be self-sustaining over a period of years, the largest—the Commodity Credit Corporation—has incurred substantial losses in most years. Appropriations have been made regularly to make up for the loss in this fund, the postal deficit, and other losses in a few smaller funds. Contract authorizations have also been provided for the Commodity Credit Corporation and for the Urban Renewal Fund of the Department of Housing and Urban Development. Table B–2 reflects all such new obligational authority.

Writeoffs shown here are primarily the return of capital or transfer of dividends to the general fund of the Treasury; they include a few cases of lapses of obligational authority.

The effect of these capital transactions, together with expenditures and receipts, upon the public enterprise fund group may be summarized as follows (in millions of dollars):

	1966	*1967*	*1968*
Balances, start of year:			
Cash and U.S. securities	8,548	11,310	13,983
Undrawn authorizations	26,297	27,108	30,100
Additional amounts becoming available:			
New obligational authority	6,896	8,826	6,063
Transfers from other funds	74	1,492	------
Applicable receipts	22,291	25,377	27,258
Total available	64,105	74,114	77,403
Application of funds:			
Gross expenditures	24,953	29,705	28,705
Transfers to other funds	7	9	2
Writeoffs of authority	725	318	632
Balances, end of year:			
Cash and U.S. securities	11,310	13,983	16,494
Undrawn authorizations	27,108	30,100	31,570
Total application and balances	64,105	74,114	77,403

Where the new obligational authority consists of authorizations to expend debt receipts or appropriations to provide capital, rather than to make up deficits or finance losses, it is customary for the amounts thereof to become interest bearing when used or when credited to the fund.

Upon the creation of new revolving funds, to finance programs previously financed otherwise, capital may also be provided by the transfer of assets, including appropriation balances, into the new fund. Liabilities and obligations are taken over, also. This budget proposes the conversion of several programs to a revolving fund basis, among them the three power administrations in the Department of the Interior.

Minor adjustments in capital occasionally include other transfers to or from appropriations when authorized by law, and the transfer of real or personal property into or out of a fund.

Table B-2. **NEW OBLIGATIONAL AUTHORITY AND WRITEOFFS OF PUBLIC ENTERPRISE FUNDS** (in millions of dollars)

Description	New obligational authority (including transfers in)			Writeoffs (including capital transfers out)		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Funds appropriated to the President:						
Economic assistance	1,053	973	1,277	36	32	34
Other	[1] 107	[1] 156	18			
Department of Agriculture:						
Commodity Credit Corporation	2,603	2,785	1,440	[2] −30	[2] 30	[2] 11
Farmers Home Administration	240					
Proposed new funds		[3] 1,721	35		45	
Department of Commerce	1			300	5	2
Department of Defense—Military		11	27		[4] 1	
Department of Health, Education, and Welfare	*	204	[5] 5			
Department of Housing and Urban Development:						
College housing loan fund	300	7	338			
Urban renewal fund	689	740	1,000	2		
Federal National Mortgage Association	100	610	550	282	51	239
Low-rent housing fund	237	[6] 300	290		*	*
Other	242	213	209	[7] −68	4	10
Department of the Interior:						
Existing legislation	62	73	56	4	4	2
Proposed new funds		[8] 220	98		25	25
Department of Labor				*	*	
Post Office Department	962	1,227	651	28		
Department of Transportation	4				*	*
Treasury Department		*		*	*	*
General Services Administration				*	*	*
Veterans Administration	*		1	[9] 70	[9] 17	[9] 199
Other independent offices:						
Export-Import Bank of Washington				50	50	50
Small Business Administration	310	[10] 2	7			
Tennessee Valley Authority	59	1,064	62	59	62	62
Other		13				
Total	6,970	10,318	6,063	732	327	634

* Less than one-half million dollars.

[1] Includes transfer of $74 million in 1966 and $134 million in 1967 from the military assistance appropriation to the Foreign military sales fund.

[2] Consists of increase or decrease in advances from appropriations for certain other purposes, spent through the Corporation's funds.

[3] Includes $1,224 million proposed to be transferred from existing accounts at inception of new Rural Electrification fund.

[4] Balance transferred to civil defense appropriations.

[5] Includes $2 million for proposed new fund, Office of Education.

[6] Includes $22 million deficiency appropriation.

[7] Net restoration.

[8] Includes transfers from general fund accounts of $129 million to Bonneville Power Administration, and $3 million to Southwestern Power Administration.

[9] Includes unobligated balances transferred to Veterans insurance and indemnities appropriation of $7 million in 1966, $8 million in 1967, and $2 million in 1968.

[10] Consists of transfer from appropriation for trade adjustment loans.

Balances available.—The balances of public enterprise funds are shown in table B-3. They are there divided between the balances which are accounted for as assets of the funds, and the undrawn authorizations to obtain capital from the Treasury, to borrow, or (in two cases) to contract in excess of their cash availability.

Table B-3. **BALANCES OF PUBLIC ENTERPRISE FUNDS** (in millions of dollars)

Description	Cash balances in Treasury and U.S. securities as of June 30			Undrawn authorizations as of June 30		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Funds appropriated to the President:						
Economic assistance	3,317	3,228	3,339	199	199	199
Other	131	46	78	77	250	246
Department of Agriculture:						
Commodity Credit Corporation	46	50	50	3,542	4,394	3,992
Farmers Home Administration	330	889	1,569	39	105	96
Rural Electrification Administration (proposed new fund)		1,425	1,154			
Other	31	[1] 43	[1] 42			
Department of Commerce	25	32	112			
Department of Defense—Military	19	26	34			
Department of Defense—Civil (Panama Canal Company)	11	12	17	10	10	10
Department of Health, Education, and Welfare	3	311	466			
Department of Housing and Urban Development:						
College housing loan fund	88	84	84	870	1,135	2,735
Urban renewal fund	1,150	1,178	1,738	3,430	3,730	3,700
Low-rent public housing	90	124	139	1,500	1,500	1,500
Federal National Mortgage Association	160	239	316	4,938	5,601	5,963
Federal Housing Administration	674	651	704	414	315	245
Other	496	569	659	896	926	951
Department of the Interior:						
Existing funds	19	16	11	12	9	1
Proposed new funds		141	154			
Department of Labor	305	309	312			
Post Office Department	547	566	673			
Department of Transportation	7	4	6	15	15	15
Treasury Department:						
Existing legislation	*	*	*			
Proposed new fund		26	26			
General Services Administration	*	*	*			
Veterans Administration	1,380	1,264	1,764	205	197	
Other independent offices:						
Export-Import Bank of Washington	1	1	2	5,822	5,644	5,958
Loans to Federal Deposit Insurance Corporation				3,000	3,000	3,000
Loans to Federal home loan banks				1,000	1,000	1,000
Federal Savings and Loan Insurance Corporation	1,576	1,706	2,023	750	750	750
Small Business Administration	723	854	821			
Tennessee Valley Authority	29	29	26	382	1,305	1,197
Other	149	162	171	6	14	12
Total	11,310	13,983	16,494	27,108	30,100	31,570

* Less than one-half million dollars.
[1] Includes cash of $4.7 million in 1967, and $3.9 million in 1968 under proposed legislation to establish a revolving fund for consumer protective, marketing, and regulatory programs.

In most cases, a large part of the balances are obligated or reserved—to pay loan commitments, purchase and construction contracts, or other obligations entered into but on which the other party has not yet required or earned the money. The balances include inactive

"standby" authority for loans to the Federal Deposit Insurance Corporation, the home loan banks, and the Federal Savings and Loan Insurance Corporation. Also included is an unused balance for the never-activated Federal Flood Indemnity Administration (HUD).

TRUST FUNDS

The trust funds are administered in a fiduciary capacity by the Government. They are not included in the administrative budget totals, and transactions between the general fund and the trust funds are conducted "at arm's length"—that is, payments between them are reported as expenditures and receipts of the funds involved.

Expenditures and receipts.—Trust fund expenditures are estimated to be $44.5 billion in 1968, with receipts of $48.1 billion, as shown in table B–4. The transactions of the Federal old-age and survivors insurance fund are somewhat more than half of the totals.

Table B–4. **EXPENDITURES AND RECEIPTS OF TRUST FUNDS**
(in millions of dollars)

Description	Expenditures			Receipts		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Federal old-age and survivors insurance trust fund	18,769	19,944	24,442	18,461	23,043	24,399
Federal disability insurance trust fund	1,937	1,982	2,389	1,616	2,308	2,407
Health insurance trust funds	64	3,526	4,171	916	4,328	5,066
Unemployment trust fund	2,687	2,655	2,534	4,126	4,146	4,235
Railroad retirement accounts	1,246	1,366	1,511	1,411	1,580	1,613
Federal employees funds	1,680	2,004	2,063	2,834	3,000	3,069
Highway trust fund	3,966	3,938	3,816	3,925	4,523	4,607
Beauty-Safety trust funds			256			402
Veterans life insurance funds	554	773	587	740	750	754
Federal national mortgage association trust funds	1,478	1,283	442			
Other trust funds	1,589	2,082	2,506	1,593	1,954	2,320
Deposit funds, net	−520	−159	−122			
Interfund transactions (table 13, note)	−770	−734	−730	−770	−734	−730
Subtotal	32,680	38,658	43,865	34,853	44,898	48,142
Government-sponsored enterprises, net	2,184	2,224	642			
Total	34,864	40,882	44,507	34,853	44,898	48,142

The trust funds include a small group of trust revolving funds (see table B–5) which, like the public enterprise funds, are stated on a net expenditure basis in figures used elsewhere in the budget. The Secondary market operations fund of the Federal National Mortgage Association is the most significant in this group.

Treasury financing.—The principal financing provided by the general fund to the trust funds is interest paid on public debt investments of the trust funds. The Government also contributes, as employer, to the employee retirement funds, and under recent legisla-

Table B-5. **TRANSACTIONS OF TRUST REVOLVING FUNDS** (in millions of dollars)

Description	Gross expenditures			Applicable receipts		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Civil Service Commission (employees' life insurance and health benefits)	708	767	851	724	820	917
Federal National Mortgage Association	1,934	1,980	1,868	455	697	1,426
All other trust revolving funds	213	56	109	57	54	48
Total trust revolving funds	2,855	2,803	2,828	1,236	1,572	2,391
Receipts from the public				(850)	(1,168)	(1,939)
Receipts from other accounts				(386)	(404)	(452)

tion, it contributes to the supplementary medical insurance and hospital insurance funds. Such payments are shown in table A-3 in the special analysis, "Three Measures of Federal Financial Transactions."

Balances available.—Trust fund balances with the Treasury and U.S. securities are shown in table B-6. These balances are reserved to carry out the purposes of the trust.

Table B-6. **TRUST FUND BALANCES** (in millions of dollars)

Description	As of June 30			
	1965 actual	1966 actual	1967 estimate	1968 estimate
Federal old-age and survivors insurance trust fund	20,180	19,872	22,971	22,928
Federal disability insurance trust fund	2,007	1,686	2,012	2,030
Health insurance trust funds		851	1,654	2,548
Unemployment trust fund	7,861	9,300	10,791	12,492
Railroad retirement accounts	4,016	4,181	4,396	4,547
Federal employees funds	16,108	17,263	18,256	19,266
Highway trust fund	285	244	829	1,620
Beauty-Safety trust fund				146
Veterans life insurance funds	6,874	7,061	7,039	7,206
Federal National Mortgage Association trust funds	20	14	166	516
All other trust funds	1,731	1,735	1,609	1,372
Deposit funds	2,544	3,064	3,223	3,346
Total	61,627	65,271	72,946	[1] 78,046
Balances available on an authorization basis (table 10)	73,462	76,579	88,024	93,660
Unappropriated receipts:				
Available as needed on an indefinite basis	75	78	67	66
Available for appropriation by Congress:				
District of Columbia	−133	−133	−121	−173
United States Soldiers' Home	107	108	106	107
Highway trust fund	209	235	789	1,580
Beauty-Safety trust fund				98
Unfinanced contract authorization	−9,982	−10,783	−12,490	−14,473
Undrawn authorizations to borrow	−2,112	−813	−3,429	−2,820
Balances available on a cash basis	61,627	65,271	72,946	[1] 78,046

[1] Excludes participation certificates holdings of $500 million.

The trust fund balances are affected by the transactions as follows (in millions of dollars):

	1966	1967	1968
Balances, start of year	61,627	65,271	72,946
Receipts	34,853	44,898	48,142
Borrowing from the public, net	1,472	1,434	823
Total available	97,951	111,604	121,912
Expenditures (excluding Government-sponsored enterprises)	32,680	38,658	43,865
Balances, end of year	65,271	72,946	78,046
Total application and balances	97,951	111,604	121,912

GOVERNMENT-SPONSORED ENTERPRISES AND ANNEXED BUDGETS

This budget includes with the trust fund expenditures certain transactions of five Government-sponsored enterprises, stated on a net basis. The transactions thus reported relate to investments in U.S. securities and debt issuance for which the Treasury acts as fiscal agent; amounts equal to the net debt issuance or net disinvestments of such enterprises are used as an estimate of net expenditures.

The budget appendix includes detailed budget statements with respect to seven self-supporting activities. All of the seven are Federal activities. Three of the Government-sponsored enterprises are in the annexed budget group. The other two—the Federal land banks and the Federal home loan banks—are privately owned and have been omitted from annexed budget coverage.

The principal volume of business in this group consists of loans made by two mixed-ownership banking systems. The Federal intermediate credit banks—in which the Government interest is still somewhat over half of the capital—are expected to continue a loan business of over $7 billion a year. The Banks for cooperatives—in which the Government interest has declined to less than a fourth of the capital—will make loans of about $2 billion a year. Repayments of loans to these enterprises are nearly as large.

Estimates for the Exchange Stabilization Fund of the Treasury for 1967 and 1968 are not available, except for administrative expenses. Therefore, this title shows only the actual 1966 expenditures and receipts of that fund. Table B–7 summarizes the expenditures and receipts of these annexed budgets.

Table B-7. **EXPENDITURES AND APPLICABLE RECEIPTS OF ACTIVITIES COVERED BY ANNEXED BUDGETS** (in millions of dollars)

Description	Gross expenditures			Applicable receipts		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Milk Marketing Administration	13	14	14	14	14	14
Comptroller of the Currency	20	22	23	21	23	24
Exchange Stabilization Fund	127	(1)	(1)	513	(1)	(1)
Board of Governors of Federal Reserve System	9	9	11	9	9	12
Banks for Cooperatives	1,640	2,042	2,366	1,472	1,734	2,089
Federal Intermediate Credit Banks	6,255	7,304	8,091	5,891	6,801	7,681
Federal Deposit Insurance Corporation	3	21	12	230	250	267
Total	8,068	9,411	10,517	8,149	8,831	10,087

[1] Not available.

OTHER EXCLUSIONS FROM ADMINISTRATIVE BUDGET RECEIPTS

The law permits certain collections to be credited as reimbursements to general fund appropriations. Such collections from outside the administrative budget accounts are identified in the detailed schedules of the budget appendix as reimbursements from "non-Federal sources," distinguishing them from reimbursements within the administrative budget sector. The intragovernmental revolving and management funds also have some receipts from outside the Government. Table B-8 reflects the estimated amount of such collections which are credited to appropriations or to intragovernmental funds.

Most of the collections reported here are for the sales of supplies and materials from the Department of Defense stock funds to authorized outside parties. Two Veterans Administration life insurance trust funds receive credits from optional income settlements and other similar adjustments, also reflected in this table.

Table B-8. **REIMBURSEMENTS FROM NONFEDERAL SOURCES TO APPROPRIATIONS AND INTRAGOVERNMENTAL FUNDS** (in millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
Funds appropriated to the President	2	10	10
Department of Agriculture	24	27	31
Department of Commerce	4	4	4
Department of Defense:			
Military	1,788	1,886	2,001
Civil	6	6	6
Department of Health, Education, and Welfare	37	40	144
Department of the Interior	65	59	45
Department of Justice	4	4	4
Department of Labor	*	*	3
Department of State	2	6	4
Department of Transportation	26	27	28
Treasury Department	34	36	32
Atomic Energy Commission	130	109	98
General Services Administration	4	2	7
National Aeronautics and Space Administration	*	12	14
Veterans Administration	2	2	2
Other independent agencies	*	1	1
Trust funds	176	187	189
Total	2,302	2,418	2,624

*Less than one-half million dollars.

GROSS EXPENDITURES OF THE GOVERNMENT

Table B-9 gives gross expenditures, on a checks-issued basis for all Government-administered funds, except deposit funds; the latter are excluded since they are for the most part suspense accounts.

The increase of nearly $46 billion from 1966 to 1968 is largely for two functions—about $18 billion for national defense, in part due to the buildup relating to Vietnam; and slightly over $13 billion for health, labor, and welfare, mostly due to health service for the aged and the increased expenditures from social economic trust funds.

Table B-9. **GROSS EXPENDITURES OF GOVERNMENT-ADMINISTERED FUNDS** (in millions of dollars)

Function	1966 actual	1967 estimate	1968 estimate
National defense	60,570	73,555	79,089
International affairs and finance	5,340	5,889	6,763
Space research and technology	5,934	5,612	5,316
Agriculture and agricultural resources	16,523	19,215	19,463
Natural resources	3,580	3,778	4,085
Commerce and transportation	12,382	13,229	13,900
Housing and community development	4,953	5,894	6,037
Health, labor, and welfare	32,689	38,929	46,241
Education	2,792	4,065	4,683
Veterans benefits and services	7,026	7,877	8,129
Interest	10,224	11,241	11,468
General government	2,606	2,773	2,899
Undistributed—special allowances	----------	100	2,150
Total	164,619	192,156	210,222
The total is derived as follows:			
Administrative budget expenditures (table 14)	106,978	126,729	135,033
Trust fund expenditures (tables 14 and B-4):			
Total of such transactions	34,864	40,882	44,507
Elimination of deposit funds included in total	520	159	122
Intragovernmental transactions (table A-4):			
Trust fund payments to the administrative budget	−120	−124	−116
Administrative budget payments to trust funds	−3,239	−4,900	−5,204
Receipts from the public netted in conventional totals:			
Receipts of public enterprise funds (table B-1)	16,580	18,638	21,442
Receipts of trust revolving funds (table B-5)	850	1,168	1,939
Reimbursements to appropriations and intragovernmental funds (table B-8)	2,302	2,418	2,624
Substitution of annexed budgets:			
Gross expenditures of annexed budgets (table B-7)	8,068	9,411	10,517
Elimination of net expenditures of Government-sponsored enterprises (included in table B-4)	−2,184	−2,224	−642
Total	164,619	192,156	210,222

BORROWING OTHER THAN FROM THE GENERAL FUND

The Tennessee Valley Authority has authority to borrow $1,750 million from the public. The Federal Housing Administration has an indefinite authorization to issue short-term debentures in connection with its settlements. The Federal National Mortgage Association trust revolving fund has authority to issue its own debt instruments in an amount equal to 15 times the aggregate of its capital and retained earnings. A few funds in liquidation are retiring earlier debt issuances. Government-sponsored enterprises also have their own borrowing authority. Some Government enterprise debt is guaranteed by the Treasury; some is not formally guaranteed. Borrowing and repayments pursuant to these authorities are shown in table B-10.

A small portion of such borrowing is from other funds such as the sale of Federal Housing Administration debentures to Federal National Mortgage Association; the larger part is from the public and in effect reduces the Treasury borrowing from the public (see table 11 of part 2).

Table B-10. **DEBT ISSUANCES BY GOVERNMENT ENTERPRISES (OTHER THAN BORROWING FROM THE GENERAL FUND)** (in millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate	End 1968, estimate outstanding
Borrowing from the public:				
By public enterprise funds:				
Federal Housing Administration [1]	−83	74	32	453
Federal Farm Mortgage Corporation [1]	*	*	*	*
Home Owners Loan Corporation [1]	*	*	*	*
Tennessee Valley Authority	60	110	100	495
By trust funds:				
District of Columbia Armory Board [1]				20
Federal National Mortgage Association	1,472	1,434	823	5,526
By Government-sponsored enterprises:				
Banks for cooperatives	134	257	257	1,330
Federal intermediate credit banks	362	461	359	3,628
Federal land banks	596	552	434	5,088
Federal home loan banks	1,525	799	−606	6,465
Total, borrowing from the public	4,064	3,687	1,399	23,006
Borrowing from other funds:				
By public enterprise funds:				
Federal Housing Administration	−46	−15	−2	77
By Government-sponsored enterprise funds:				
Banks for cooperatives	24	18	18	64
Federal intermediate credit banks	29	40	41	127
Federal land banks	−22	76	191	271
Federal home loan banks	28	92	206	335
Total, borrowing from other funds	13	210	454	874
Total, debt issuances by Government enterprises	4,077	3,898	1,853	23,880

Note.—Negative figures represent net retirement of debt.

*Less than one-half million dollars.
[1] Guaranteed by the Treasury (except for a small part of the HOLC obligations).

INVESTMENTS IN U.S. SECURITIES

A few public enterprise funds, a substantial number of trust funds and the Government-sponsored enterprises may purchase Treasury bonds or notes for investments. In addition, several funds acquire some of the debt issued by Government enterprises, and the Federal Housing Administration acquires some of its own debentures as investments. These investment transactions in securities issued by the Government or its agencies are shown in table B-11.

The public debt bought by the various funds enters into the computation of the debt as shown in table 11 of part 2.

Table B-11. **PURCHASES OF U.S. SECURITIES BY GOVERNMENT-ADMINISTERED FUNDS** (in millions of dollars)

Description	Transactions			End 1968, estimate outstanding
	1966 actual	1967 estimate	1968 estimate	
Investment in Treasury issuances (public debt):				
By public enterprise funds:				
Housing and Urban Development:				
Federal Housing Administration	−93	13	52	560
Public Housing Administration	14			21
Federal National Mortgage Association	−4			2
Federal Savings and Loan Insurance Corporation	204	181	318	2,016
Veterans Administration	37	52	60	301
Maritime Administration	*	*	3	7
By trust funds:				
Federal old-age and survivors insurance trust fund	−857	3,425	−140	21,194
Federal disability insurance trust fund	−413	391	8	1,861
Federal supplementary medical insurance trust fund		260	34	295
Federal hospital insurance trust fund	786	608	860	2,253
Unemployment trust fund	1,468	1,466	1,696	12,415
Railroad retirement accounts	154	274	178	4,521
Federal employees' funds	1,122	1,084	993	19,175
Highway trust fund	−28	582	570	1,390
Veterans life insurance funds	208	−19	169	7,201
District of Columbia municipal government funds	3	4	3	65
All other	71	−3	6	102
By Government-sponsored enterprises:				
Federal Deposit Insurance Corporation	227	230	256	3,829
Bank for cooperatives	3	−1	3	49
Federal intermediate credit banks	*	2	*	111
Federal land banks	*			100
Federal home loan banks	260	−159		1,800
By Exchange stabilization fund	387			643
Total, investments in Treasury issuances	3,549	8,389	5,069	79,911
Investments in issuances of other funds:				
By public enterprise funds:				
Liquidating programs	3			3
Federal Housing Administration	−36	−13	−2	74
Federal National Mortgage Association	80	75	77	259
By trust funds:				
Federal National Mortgage Association	−6	151	382	533
Veterans Administration	−25			
District of Columbia municipal government funds	−3	−2	−2	5
Total, investments in issuances of other funds	13	211	455	874
Total, investments in U.S. securities	3,562	8,600	5,523	80,785

Note.—Negative figures represent net reduction of investments.

*Less than one-half million dollars.

SPECIAL ANALYSIS C

Civilian Employment in the Executive Branch

The buildup of military support for Vietnam operations and rising postal and other workloads will cause Federal civilian employment to rise in fiscal years 1967 and 1968. A thorough review and evaluation of employment requirements and stringent manpower utilization practices are being used to keep employment at the minimum required.

Full-Time Permanent Civilian Employment

Civilian employment in full-time permanent positions is estimated to be 2,546,500 in June of this year. This is an increase of 130,000 over the estimate carried in the 1967 budget 1 year ago. The major factors accounting for the increase are:

First, the increased Defense and civilian agency activities directly associated with our commitments in southeast Asia, which are up by 110 thousand civilian employees.

Second, the unprecedented mail volume accompanying the current high level of economic activity which is substantially greater than anticipated last January, resulting in a rise of 25,000 employees.

Aside from increases for these two purposes, full-time permanent civilian employment at the end of June 1967 is now estimated to be less than projected in last January's budget, as shown in the following table:

	June 1967		
	Estimate a year ago	*Current estimate*	*Change*
Department of Defense, Military and military assistance	1,073,000	1,180,500	107,500
Civilian agency direct support for Southeast Asia:			
State Department and Agency for International Development	6,400	7,800	1,400
Selective Service System	5,790	6,300	510
General Services Administration	4,350	4,500	150
United States Information Agency	1,000	1,200	200
Subtotal	1,090,540	1,200,300	109,760
Post Office Department	500,000	525,000	25,000
Other civilian employment:			
Veterans Administration	150,850	149,300	−1,550
Department of Health, Education, and Welfare	99,010	95,900	−3,110
Department of Agriculture	82,850	84,400	1,550
Treasury Department	80,900	80,900	-------
Department of the Interior	58,640	60,200	1,560
General Services Administration	32,400	32,100	−300
Department of Commerce	25,650	25,100	−1,550
Department of Housing and Urban Development	15,350	14,200	−1,150
All other	274,510	277,200	2,690
Subtotal, other civilian employment	821,160	819,300	−1,860
Allowance for contingencies	4,800	1,900	−2,900
Total	2,416,500	2,546,500	130,000

Full-time permanent civilian employment is estimated to rise by 68,500 to a total of 2,615,000 in the fiscal year 1968. Of this total labor force, almost half will work in the military functions of the Department of Defense (including military assistance). Another one-fifth will be employed by the Post Office Department. These two agencies, therefore, account for two-thirds of the Federal civilian full-time permanent employment.

The largest remaining Federal employers are the Veterans Administration with 6 percent, Health, Education, and Welfare with 4 percent, and Treasury and Agriculture with more than 3 percent each.

Table C-1. **SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH**

Agency	As of June			Increase 1968 over 1967
	1966 actual	1967 estimate	1968 estimate	
Department of Defense, Military and military assistance	1,052,998	1,180,500	1,204,900	24,400
Civilian agency direct support for Southeast Asia:				
State Department and Agency for International Development	4,791	7,800	8,450	650
Selective Service System	6,969	6,300	6,300	----------
General Services Administration	3,789	4,500	4,550	50
United States Information Agency	900	1,200	1,210	10
Subtotal	1,069,447	1,200,300	1,225,410	25,110
Post Office Department	489,898	525,000	539,300	14,300
Other civilian employment:				
Veterans Administration	147,634	149,300	154,200	4,900
Department of Health, Education, and Welfare	91,650	95,900	99,800	3,900
Department of Agriculture	84,070	84,400	85,800	1,400
Treasury Department	80,176	80,900	83,200	2,300
Department of the Interior	59,432	60,200	62,100	1,900
General Services Administration	32,166	32,100	32,950	850
Department of Commerce	25,133	25,100	26,800	1,700
Department of Housing and Urban Development	14,009	14,200	15,400	1,200
All other	272,702	277,200	285,240	8,040
Subtotal other civilian employment	806,972	819,300	845,490	26,190
Allowance for contingencies	----------	1,900	4,800	2,900
Total	2,366,317	2,546,500	2,615,000	68,500

The most significant changes for 1968 compared with 1967 are shown in table C-1. Of the total increase of 26,190 for the civilian activities of the Government, excluding Post Office, 4,900 or 19% is for the Veterans Administration; 3,900 or 15% is for the Department of Health, Education, and Welfare; and 2,300 or almost 9% is for the Treasury Department.

The increase in the Veterans Administration is principally to provide staff for new hospitals being opened, new intensive care units, and other recently completed specialized treatment facilities in veterans

250-000 O—67——27

hospitals. It will result in substantially improving medical care for veterans.

About one-third of the 1968 increase in employment for the Department of Health, Education, and Welfare is attributable to recently enacted legislation for medical insurance for the elderly. The remaining two-thirds is principally for direct medical care in public health and Indian hospitals, increased control and enforcement over dangerous drugs, air pollution, and other toxic substances, and aids to education. The Social Security Administration is achieving a productivity improvement of 2% per year through increased efficiency of operations, with a saving of 400 man-years in fiscal year 1968.

In addition—

- The increase in Treasury is primarily for rising workloads in Internal Revenue operations due to a 2.3% increase in the number of tax returns.
- The increase in the Department of Commerce is principally for expanded weather observation and forecasting capabilities of Environmental Science Services Administration, further research at the National Bureau of Standards, and augmentation of the Patent Office staff in order to reduce the backlog of patent applications.
- The growth in the Department of the Interior is chiefly for the education of Indians on Government reservations; operation of new power facilities built with funds provided in earlier years; expanded efforts on water pollution control; and an anticipated increase of about 9% in visitors to the national parks.

Total Federal Personnel

Almost nine-tenths of executive branch civilian employment consists of permanent full-time employees. The remainder is made up of part-time and intermittent workers, who are mostly employed in short-range or special projects or work of a purely seasonal nature.

In total, Federal Government personnel includes both civilian and military personnel. Adding the latter to the civilian employment figures shows a grand personnel total for the executive branch of approximately 5,793,000 for June 1966. In addition, the employment of the legislative and judicial branches in June 1966 was about 33,000.

	As of June		
	1966 actual	*1967 estimate*	*1968 estimate*
Civilian employment in the executive branch:			
Permanent full-time	2,366,317	2,546,500	2,615,000
Other than permanent full-time [1]	298,064	262,500	266,500
Military personnel:			
Department of Defense	3,091,552	3,386,818	3,464,302
Reimbursable details to other agencies	2,157	2,523	2,513
Department of Transportation (Coast Guard)	35,289	35,812	36,239
Total executive branch personnel	5,793,379	6,234,153	6,384,554
Legislative and judicial personnel	32,692		
Total	5,826,071		

[1] Excludes summer workers under the President's Youth Opportunity Campaign and various merchant seamen on vessels under Federal shipping contracts.

Geographical Distribution of Employment

Table C–2 presents data on the geographical distribution of Federal employment. Most Federal employees—almost 83%—work in the various States. A little under 11% are located in the Washington, D.C., metropolitan area (including nearby Maryland and Virginia). An additional 6% are in foreign countries and in U.S. territories and possessions.

Table C–2. FEDERAL CIVILIAN EMPLOYMENT BY GEOGRAPHICAL LOCATION (as of June 1966)

Location	Total [1]
Washington, D.C., metropolitan area	[2] 292,664
Alabama	61,437
Alaska	14,084
Arizona	24,131
Arkansas	15,991
California	280,120
Colorado	39,064
Connecticut	17,158
Delaware	3,857
Florida	60,183
Georgia	71,235
Hawaii	24,505
Idaho	7,730
Illinois	107,362
Indiana	37,774
Iowa	17,475
Kansas	21,095
Kentucky	32,088
Louisiana	27,240
Maine	15,590
Maryland	[3] 55,548
Massachusetts	62,911
Michigan	49,536
Minnesota	28,089
Mississippi	18,996
Missouri	60,202
Montana	10,427
Nebraska	15,208
Nevada	7,586
New Hampshir	4,468
New Jersey	61,731
New Mexico	25,688
New York	176,841
North Carolina	33,216
North Dakota	7,131
Ohio	96,770
Oklahoma	51,626
Oregon	22,866
Pennsylvania	137,842
Rhode Island	13,850
South Carolina	27,097
South Dakota	9,671
Tennessee	42,847
Texas	136,389
Utah	36,847
Vermont	3,078
Virginia	[3] 75,599
Washington	51,775
West Virginia	12,235
Wisconsin	23,668
Wyoming	5,193
Undistributed	[4] −4,983
Total United States	2,530,731
Outside United States:	
Territories and possessions	34,329
Foreign countries	[5] 132,013
Total outside United States	166,342
Total employment	2,697,073
Legislative and judicial	−32,692
Total employment executive branch	2,664,381
Other than full-time permanent	−298,064
Total full-time permanent employment, executive branch	2,366,317

[1] Distribution by State is partially estimated.
[2] Includes employees of the executive branch and of the legislative and judicial branches.
[3] Excludes employment within the Washington, D.C. metropolitan area, which includes the District of Columbia, and the adjacent counties and cities in Maryland and Virginia.
[4] Includes various merchant seamen on vessels under Federal shipping contracts who are distributed by State of residence.
[5] Includes 113,958 foreign nationals classified as Federal employees; excludes 128,549 foreign nationals working for Department of Defense under contract agreements, or other arrangements with foreign governments which provide for the furnishing of personal services.

Personnel Compensation and Benefits

Estimates of the Federal payroll and related costs are shown in table C-3. Direct compensation includes regular pay, Sunday pay, and special pay for overtime, holiday, and standby time; differentials for nightwork and overseas duty, flight and hazardous duty, etc. Related personnel benefits include the Government's share of Federal retirement and old-age, survivors', and disability insurance costs; employees' life insurance, health insurance and benefits, and similar payments; they also include cost-of-living and quarters allowances, uniform allowances (when paid in cash); and, in the case of the military personnel, they also include allowances for subsistence, reenlistment bonuses, and certain other cash payments.

Table C-3. **ESTIMATED PERSONNEL COMPENSATION AND BENEFITS**

[Fiscal years. In millions of dollars]

Description	1966	1967	1968 [1]
Total civilian personnel costs:			
Direct compensation	18,800	20,750	21,550
Personnel benefits	1,500	1,700	1,800
Total	20,300	22,450	23,350
Civilian personnel costs of trust and public enterprise funds: [2]			
Direct compensation	5,100	5,650	5,900
Personnel benefits	400	450	500
Total	5,500	6,100	6,400
Remaining personnel costs (i.e., excluding trust and public enterprise funds):			
Direct compensation	13,700	15,100	15,650
Personnel benefits	1,100	1,250	1,300
Total	14,800	16,350	16,950
MEMORANDUM			
Total military personnel costs: [3]			
Direct compensation	10,050	11,900	12,700
Personnel benefits	2,950	3,500	3,900
Total	13,000	15,400	16,600

[1] Excludes 1968 budget allowance of $1 billion for military and civilian pay increases.
[2] Includes annexed budget agencies.
[3] Excludes Reserve components.

The obligations to be incurred for civilian personnel compensation and benefits in 1968 are estimated at $23 billion.

Some of the personnel are employed by trust funds (such as old-age and survivors insurance) and some are employed by public enterprise funds (such as the Post Office). After deducting for the costs of such employees, the remaining personnel costs are $17 billion.

Government pay scales for "blue-collar" workers have for many years been subject to administrative adjustment to correspond to local prevailing rates in private industry. As wages in private industry advanced, Federal compensation for such workers also increased.

Pay for most other Federal workers has been set by statute. Pay scale changes effective in October 1962, January 1964, July 1964, October 1965, and July 1966 have resulted in significant progress toward the comparability standard set forth in the 1962 Salary Reform Act. The compensation figures reflect such pay changes as well as changes in the number of employees.

Special efforts were made last year, and again in the preparation of this budget, to hold down the rise in average grades and the resulting changes in average salary experienced over a number of preceding years. For the first time in a long period there was in 1965 no Government-wide change in average grade of Classification Act employees. This trend was continued during 1966 when at year's end the change in Government-wide average grade was slightly lower than in 1965. Average compensation showed only a slight advancement (apart from changes in pay scales), mostly due to merited within-grade salary advancements and necessary reclassifications of new positions in certain agencies.

Change in Position Structure

There have also been changes in the position structure which have affected the average salary and the total compensation. Chiefly, these are the result of changes in the character of the Government's workload and in the level of employee skills required to deal with it. For example, as a result of increasing specialization and greater emphasis on research and development, the number of engineers in the Federal service grew 61%, and the number of physical scientists 85%, in the period from 1954 through 1966. During this period, the Government's need for professional medical personnel rose 39% and for biological scientists, 52%. At the same time, the expanded efforts to reduce employment and to increase productivity—in many cases by shifting from manual to semi-automatic or automatic processing methods—have decreased the need for unskilled employees. These same trends have been occurring in private enterprise.

A recent analysis made by the Civil Service Commission shows the following changes in position structure of Classification Act employees between 1961 and 1966:

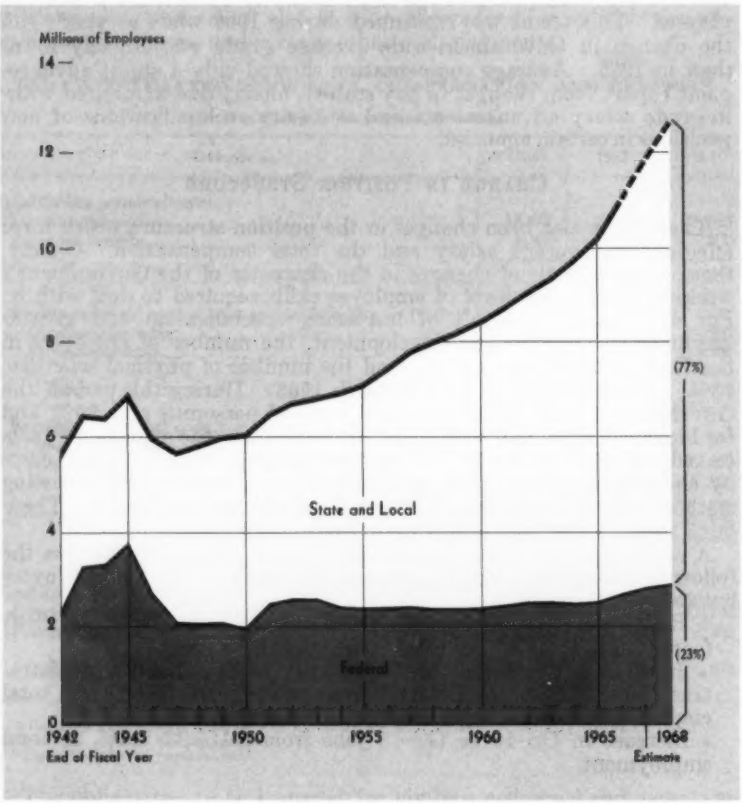
- Reduction in percentage of clerical and aide jobs (GS–1 to GS–6) from 53.2% to 48.8% of total employment.
- Increase in percentage of professional, technical and administrative jobs (GS–7 to GS–15) from 46.7% to 50.9% of total employment.
- Increase in GS–16 to GS–18 jobs from 0.1% to 0.3% of total employment.

Trends in Numbers of Employees and Workload

With the continued growth in population, in national income, and in economic activity generally, there has been a concomitant growth in the volume of public services which the Government is called upon to render. In the fiscal year 1968, for example, the participants in the food stamp program will rise 25%; the lineal nautical miles surveyed by the Coast and Geodetic Survey will increase 90%; the num-

ber of passports applied for will rise 11%; takeoffs and landings at airports served by Federal towers will increase 13%; establishments with Federal meat inspectors will rise 4.5%; the number of pieces of mail delivered by the Post Office will be up 4.5%; and customs inspections of mailed packages will rise 71%. Staffing for new programs such as hospital insurance for the elderly, and increased demands for services can be accommodated only by increased productivity or additional workers, or a combination of both.

Government Civilian Employment



A historical comparison of total Federal civilian employment in the executive branch (including temporary and part-time employment) with employment by State and local governments and U.S. population for 1942–68 is shown in table C–4.

Table C-4. GOVERNMENT EMPLOYMENT AND POPULATION, 1942-68

Year	Government employment				Population	
	Federal executive branch [1] (thousands)	State and local governments (thousands)	All governmental units (thousands)	Federal as percent of all governmental units	Total United States (thousands)	Federal employment per 1,000 population
1942	2,272	3,310	5,582	40.7	135,361	16.8
1943	3,274	3,184	6,458	50.7	137,250	23.9
1944	3,304	3,092	6,396	51.7	138,916	23.8
1945	3,787	3,104	6,891	55.0	140,468	27.0
1946	2,666	3,305	5,971	44.6	141,936	18.8
1947	2,082	3,568	5,650	36.8	144,698	14.4
1948	2,044	3,776	5,820	35.1	147,208	13.9
1949	2,075	3,906	5,981	34.7	149,767	13.9
1950	1,934	4,078	6,012	32.2	152,271	12.7
1951	2,456	4,031	6,487	37.9	154,878	15.9
1952	2,574	4,134	6,708	38.4	157,553	16.3
1953	2,532	4,282	6,814	37.2	160,184	15.8
1954	2,382	4,552	6,934	34.4	163,026	14.6
1955	2,371	4,728	7,099	33.4	165,931	14.3
1956	2,372	5,064	7,436	31.9	168,903	14.0
1957	2,391	5,380	7,771	30.8	171,984	13.9
1958	2,355	5,630	7,985	29.5	174,882	13.5
1959	2,355	5,806	8,161	28.9	177,830	13.2
1960	[2] 2,371	6,073	8,444	28.1	180,684	13.1
1961	2,407	6,295	8,702	27.7	183,756	13.1
1962	2,485	6,533	9,018	27.6	186,656	13.3
1963	[3] 2,490	6,834	9,324	26.7	189,417	13.1
1964	[3] 2,469	7,236	9,705	25.4	192.119	12.9
1965	2,496	7,700	10,196	24.5	194.572	12.8
1966	2,664	8,314	10,978	24.3	196.842	13.5
1967 (estimated) [4]	2,809	----------	----------	23.7	----------	14.1
1968 (estimated) [4]	2,881	----------	----------	22.7	----------	14.3

[1] Covers total end-of-year employment in full-time permanent, temporary, part-time, and intermittent positions except for summer workers under the President's Youth Opportunity Campaign; and various merchant seamen on vessels under Federal shipping contracts:

	1966 actual	*1967 estimate*	*1968 estimate*
Youth Opportunity Campaign	56,780	60,604	62,018
Merchant seamen	4,983	11,083	11,136

[2] Includes piece-rate census workers employed for the decennial census.

[3] Excludes 7,411 project employees in 1963 and 406 project employees in 1964 for the public works acceleration program.

[4] An official projection of population and of State and local government employment for 1967 and 1968 is not available. The percentages and ratios shown for these years are consistent with a range of reasonable estimates based on recent trends in population and State and local employment.

SPECIAL ANALYSIS D

INVESTMENT, OPERATING, AND OTHER EXPENDITURES

This analysis is designed to contribute to a greater understanding of Government activities by dividing Federal administrative budget and trust fund expenditures into several categories: (1) Additions to Federal assets; (2) additions to State, local, and private assets; (3) developmental expenditures; (4) current expenses for aids and special services; (5) retirement and social insurance benefits (trust funds only); (6) other services and current operating expenses; and (7) unclassified (expenditures which do not properly belong in any of the other categories). In each category where applicable, national defense expenditures are reported separately from those for all other (civil) programs.

Basically, this analysis distinguishes between two types of expenditures: Those yielding benefits primarily in the future and those providing benefits largely in the year in which they are made. The former are essentially outlays of an investment nature while the latter are principally current expenses for aids, special services, and social insurance benefits. Expenditures yielding benefits over a period of years are shown in the first three classes, while outlays providing mainly current benefits are grouped in the remaining categories.

Expenditures from administrative budget funds are shown separately from trust funds in tables D–1 and D–2. The sum of the budget and trust fund totals is greater than the total of cash payments to the public primarily because there are intragovernmental transactions.

1. *Additions to Federal assets.*—This category includes administrative budget expenditures for direct loans, such as loans to finance private housing construction and encourage home ownership, to help small businesses, to finance college dormitory construction, to aid farm ownership and operation, to finance rural electric and telephone systems, and to promote economic development abroad. (Most of these programs are included in the budget total on a net basis; that is, gross disbursements less receipts.) It also includes financial investments in certain international organizations and mixed-ownership enterprises. Expenditures for public works, for changes in major commodity inventories, for major equipment (including military equipment), and for the acquisition and improvement of real property and other physical assets are also covered.

Trust fund expenditures in this category consist primarily of mortgage purchases (net of sales) by the Federal National Mortgage Association in support of its secondary mortgage market operations, and net loans by two Government-sponsored enterprises—banks for cooperatives and the Federal intermediate credit banks.

Table D-1. **SUMMARY OF INVESTMENT, OPERATING, AND OTHER EXPENDITURES** (in millions of dollars)

Description	Administrative budget funds			Trust funds		
	1966 actual	1967 estimate	1968 estimate	1966 actual	1967 estimate	1968 estimate
Additions to Federal assets:						
Civil:						
Loans and financial investments	561	556	−953	2,226	2,805	1,622
Physical assets	2,750	1,878	2,550	25	26	30
National defense	16,891	21,618	24,284	*	15	------
Additions to State, local, and private assets:						
Civil	1,398	1,922	2,553	5,723	5,497	4,014
National defense	11	9	13	1	1	*
Developmental expenditures:						
Civil	10,775	12,573	13,548	83	103	125
National defense	7,903	8,398	8,985	------	------	------
Subtotal, investment and developmental type expenditures:						
Civil	15,485	16,929	17,698	8,056	8,431	5,791
National defense	24,805	30,025	33,281	2	16	*
Current expenses for aids and special services:						
Civil	18,513	22,675	22,047	1,443	1,805	1,894
National defense	1,052	1,009	827	751	1,115	1,363
Retirement and social insurance benefits—civil	------	------	------	24,586	29,001	35,006
Other services and current operating expenses:						
Civil:						
Interest	12,132	13,509	14,153	------	------	------
Other	3,894	4,141	4,257	209	279	353
National defense	31,862	39,187	41,379	7	7	7
District of Columbia, deposit funds, and other unclassified items	------	------	------	580	962	822
Participation sales fund	−129	−80	−77	------	------	------
Allowances for:						
Civilian and military pay increases	------	------	1,000	------	------	------
Possible shortfall in assets sales	------	------	750	------	------	------
Contingencies	------	100	400	------	------	------
Interfund transactions	−635	−766	−682	−770	−734	−730
Grand total	106,978	126,729	135,033	34,864	40,882	44,507

*Less than one-half million dollars.

2. *Additions to State, local, and private assets.*—Federal outlays under this heading add to State, local, and private assets. Grant-in-aid expenditures which augment the physical assets of State and local governments are primarily for the construction of highways (mainly through the Highway trust fund), hospitals, airports, waste-treatment works, watershed protection projects, schools in federally affected areas, and public facilities under the area redevelopment program and the temporary accelerated public works program. Federal expenditures which increase the value of privately owned assets are largely for the conservation and improvement of private farmland and water, for grants to States for the building of private hospitals

and other health facilities, and for construction subsidies to the merchant fleet. Trust fund expenditures in this category, in addition to the highway program, include the net loans made by the Federal land banks and the Federal home loan banks (Government-sponsored enterprises in which the Federal Government no longer holds any capital stock); these loans strengthen lending institutions which promote farming and individual home ownership.

3. *Developmental expenditures.*—Federal expenditures of this type include outlays principally for research and development, education and health, and other programs which increase the Nation's fund of knowledge and technical skills and improve the physical vigor of the population. The total of Federal spending shown in this category does not fully reflect the Government's contribution to the productivity of the economy, since it excludes additions to physical assets, as well as certain other programs which further this end. The latter are classified in accordance with their principal purpose; thus, veterans educational benefits are listed as veterans aids rather than as developmental outlays. Similarly, the training of military personnel or other Government personnel is treated as an operating expense and not as part of the Government's education and training programs.

4. *Current expenses for aids and special services.*—Expenditures classified under this heading provide aids or special services to certain groups—mainly in the year in which the outlays are made. In addition to such items as realized losses of the Commodity Credit Corporation on its farm programs, maritime, operating subsidies, veterans pensions, and grants to foreign nations for economic and military assistance, this category includes (a) administrative and other operating expenses attributable to investment-type programs which benefit specific groups, and (b) the costs of maintaining the physical assets related to those programs.

Only part of the Federal Government's aid to special groups is reflected in this classification, which is limited by definition to current expenses. For example, subsidies for the construction of private merchant ships are classified as additions to private assets. Similarly, outlays for which the Federal Government receives assets or collateral (as the acquisition of farm commodities by the Commodity Credit Corporation) are treated as additions to Federal assets. Many indirect Government aids are excluded from this classification either because they are not reflected in expenditures or cannot be readily measured. Examples of such indirect benefits include low interest rates on some loans and certain preferential tax treatments.

Although expenditures in this category essentially provide a direct aid or special service yielding immediate benefits, some of the outlays included contribute indirectly to the Nation's future development. Among these are grants for slum clearance and urban renewal.

5. *Retirement and social insurance benefits.*—This category applies only to trust funds. It covers benefit programs which (a) are financed from special taxes or contributions and (b) provide insurance against the loss of income due to unemployment, retirement, disability, or death. It does not include Government employees' health and life insurance expenditures, which are in the form of subscription and premium payments to approved private companies. It also excludes such noncontributory programs as public assistance grants, military

retired pay, and veterans disability and death compensation and pensions which are financed through the administrative budget.

6. *Other services and current operating expenses.*—The outlays reported under this heading support a wide range of activities. They consist mainly of current expenditures for: Pay and subsistence of military personnel; repair, maintenance, and operation of physical assets of the national military establishment and general purpose public buildings; conduct of foreign affairs; tax collection; payment of interest on the national debt; and operation and administration of other direct Federal programs not elsewhere classified.

7. *Unclassified.*—Certain expenditures represent financial transfers to other trust or budget accounts and cannot be properly classified into any of the categories described above. Advances and repayments between the Railroad retirement account and the Unemployment trust fund (for railroad unemployment benefits) are examples of such transactions. The net accumulations in the participation sales funds held for later distribution are another example. This grouping also includes the expenditures of the District of Columbia which are for the most part locally financed, but are accounted for as a Federal trust fund. Deposit fund transactions (net) are also included here.

Recoverability of expenditures.—In general, Government expenditures for assets are not expected to be recovered by specific revenues. However, most loans, investment in commodity inventories, the construction of powerplants, and outlays for range and forest improvements on public domain and national forest lands are offset in whole or in part by receipts to the Treasury through repayments and sales, specific charges, or recoveries. Where such activities are carried on through revolving funds, as in most loan programs, receipts are credited directly against the expenditures and only the difference is included in the expenditure total in the budget and in this analysis. In other cases, the returns are included as miscellaneous receipts to the Treasury rather than as offsets to expenditures.

Whether recovered by specific revenues, or not, investment and developmental expenditures in both physical and human capital add to the wealth and income of the Nation and, by helping to expand the tax base, augment the Government's potential future revenues. However, this analysis does not attempt to measure the degree of recoverability of these outlays, the potential gain in public revenues which will be forthcoming from them, nor the duration of future benefits and their discounted present value.

Comparison with capital accounting, budgeting, and funding.—The purpose of this analysis is to provide a broad framework for understanding Federal expenditures, recognizing not only outlays to increase physical capital and financial assets, but also developmental expenditures which represent an investment in human capital. It does not distinguish precisely between capital and current items, although it does provide useful general magnitudes. Moreover, it does not make any allowance for depreciation and obsolescence on existing physical assets, anticipated losses on loan programs, or profit or loss on sales of assets at figures different from their book value. Agencies record such allowances only for transactions where the data will serve program and management needs, as in the case of the public enterprise funds. As a result, it is not possible to determine directly from this analysis the *net* addition to the value of federally owned assets.

This analysis is not a capital budget in the sense of a long-range program for the acquisition of assets, or a plan for separate financing of capital expenditures. Some foreign governments and some State and local governments fund a portion of their capital expenditures by separate borrowing and exclude most or all such expenditures from their computation of budget totals, except for annual charges to amortize these capital outlays over a number of years. The U.S. budget, on the other hand, treats outlays for investment items and for other purposes alike in computing the budget surplus or deficit.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds			
ADDITIONS TO FEDERAL ASSETS			
Loans:			
Civil:			
To domestic private borrowers:			
Funds appropriated to the President: Economic opportunity loan fund	30	27	21
Department of Agriculture:			
Commodity Credit Corporation: Price support, supply and related programs	−703	−717	−516
Rural Electrification Administration: Loans	361	258	319
Farmers Home Administration:			
Direct loan account	*	−394	−474
Rural housing direct loan account	19	−135	−162
Rural housing insurance fund	33	17	−14
Agricultural credit insurance fund	80	−80	−20
Other	24	−22	−6
Other		*	1
Department of Commerce:			
Economic development assistance: Industrial development loans and guarantees	32	25	49
Other	6	−1	−1
Department of Health, Education, and Welfare:			
Office of Education:			
Higher educational activities	30	20	109
Defense educational activities	177	188	5
Higher education facilities loan fund		−44	−27
Other			1
Public Health Service and other	23	37	34
Department of Housing and Urban Development:			
Renewal and housing assistance:			
Housing for the elderly or handicapped	53	64	−19
College housing loans	151	−166	−730
Other	*	10	22
Mortgage credit:			
Federal Housing Administration fund	100	116	84
Federal National Mortgage Association:			
Management and liquidating functions	−114	−34	−232
Special assistance functions fund	−314	−72	191
Other	4	4	−4
Other	−3		
Department of Transportation: Civil supersonic aircraft development	99	170	90

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES** (in millions of dollars)—Continued

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Loans—Continued			
Civil—Continued			
To domestic private borrowers—Continued			
Veterans Administration:			
Housing loans:			
Veterans direct loans	−666	−30	−123
Loan guarantee revolving fund	30	193	−345
Other	3	3	4
Federal Home Loan Bank Board	16	48	−25
Small Business Administration:			
Revolving fund	−146		
Disaster loan fund		−65	53
Business loan and investment fund		−109	−94
Other agencies	1	6	11
Total, to domestic private borrowers, civil	−675	−679	−1,799
To State and local governments:			
Department of Health, Education, and Welfare:			
Office of Education:			
Higher educational activities	25	38	27
Higher education facilities loan fund		−44	−27
Other		1	
Department of Housing and Urban Development:			
Renewal and housing assistance:			
Urban renewal fund	30	37	22
College housing loans	167	−88	−555
Other	−2	*	*
Metropolitan development:			
Public facility loans	29	−31	−28
Other	11	11	12
District of Columbia	24	55	53
Other agencies	33	55	53
Total, to State and local governments, civil	318	35	−443
To foreign borrowers:			
Funds appropriated to the President: Economic assistance	1,030	1,257	1,274
Export-Import Bank of Washington	−263	236	−236
Total, to foreign borrowers, civil	768	1,494	1,038
Total, loans, civil	411	850	−1,205
National defense:			
To domestic private borrowers: Other agencies	−1	*	−4
To foreign borrowers: Funds appropriated to the President:			
Military assistance	−60	24	
Total, loans, national defense	−61	25	−4
Total, loans	349	874	−1,209

* Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Other financial investments—civil:			
Investments in quasi-public institutions, trust funds, and international institutions:			
Funds appropriated to the President:			
Economic assistance	69	55	50
Inter-American Development Bank	----------	−76	80
International Development Association	----------	59	122
International Monetary Fund	----------	−330	----------
Other	----------	10	10
Department of Housing and Urban Development: Federal National Mortgage Association	92	----------	----------
Other agencies	−10	−12	−10
Total, investments in quasi-public institutions, trust funds, and international institutions	151	−294	251
Public works—Sites and direct construction:			
Civil:			
Funds appropriated to the President:			
Economic opportunity program	50	65	7
Department of Agriculture:			
Forest Service:			
Forest protection and utilization	25	30	33
Forest roads and trails	65	83	97
Other	11	12	12
Other	−2	9	33
Department of Defense—Civil:			
Corps of Engineers:			
Construction, general	916	905	949
Flood control, Mississippi River and tributaries	58	59	50
Other	12	20	20
Department of Health, Education, and Welfare:			
Public Health Service	28	50	51
Other	13	14	18
Department of the Interior:			
Bureau of Indian Affairs:			
Construction	54	44	49
Other	19	17	19
National Park Service:			
Construction	26	28	26
Parkway and road construction	37	36	38
Bureau of Reclamation:			
Construction and rehabilitation	213	187	180
Upper Colorado River storage project	61	45	40
Other	4	6	4
Bonneville Power Administration: Construction	53	98	106
Other	44	46	45
Post Office Department	51	22	54
Department of State	36	40	31
Department of Transportation:			
Coast Guard: Acquisition, construction, and improvements	26	45	42
Federal Aviation Administration: Facilities and equipment and other	62	57	51
Other	10	4	----------

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—Sites and direct construction—Continued			
Civil—Continued			
General Services Administration: Public buildings	230	210	239
National Aeronautics and Space Administration	572	280	160
Veterans Administration: Hospitals and other	84	66	79
Tennessee Valley Authority	156	204	211
Other agencies	71	99	76
Total, public works, civil	2,987	2,780	2,718
National defense:			
Department of Defense—Military	1,503	1,670	1,646
Atomic Energy Commission	176	130	155
Total, public works, national defense	1,679	1,800	1,801
Total, public works, sites and direct construction	4,666	4,583	4,520
Major commodity inventories:			
Civil:			
Department of Agriculture: Commodity Credit Corporation: Agricultural commodities	−779	−1,358	−681
Department of the Interior	19	28	27
Total, major commodity inventories, civil	−760	−1,330	−654
National defense:			
Funds appropriated to the President: Expansion of defense production	−175	−125	−59
Other agencies	33	30	30
Total, major commodity inventories, national defense	−143	−95	−28
Total, major commodity inventories	−902	−1,425	−682
Major equipment:			
Civil:			
Post Office Department	69	104	127
Department of Transportation			
Coast Guard	47	37	51
Other	4	3	3
Other agencies	33	30	32
Total, major equipment, civil	153	174	213
National defense:			
Department of Defense—Military	14,488	19,091	21,768
Atomic Energy Commission	151	150	155
Total, major equipment, national defense	14,639	19,241	21,923
Total, major equipment	14,791	19,415	22,136

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)—Continued

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Other physical assets—acquisition and improvement:			
Civil:			
Department of Agriculture	29	30	30
Department of Housing and Urban Development: Federal Housing Administration and other	273	135	148
Department of the Interior	67	76	91
Other agencies	1	14	3
Total, other physical assets, civil	371	254	273
National defense:			
Department of Defense—Military	68	71	79
Atomic Energy Commission	709	577	513
Total, other physical assets—acquisition and improvement, national defense	777	648	592
Total, other physical assets—acquisition and improvement	1,148	902	864
Total, additions to Federal assets	20,203	24,052	25,881
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS			
State and local assets:			
Civil:			
Funds appropriated to the President: Public works acceleration	85	36	.....
Department of Agriculture:			
Watershed protection	50	51	55
Rural water and waste disposal systems grants	*	41	30
Other	20	27	27
Department of Commerce:			
Economic development assistance:			
Appalachian development highway system	9	42	81
Development facilities and other	6	42	119
Department of Defense—Civil: Corps of Engineers	18	14	34
Department of Health, Education, and Welfare:			
Office of Education:			
School assistance in federally affected areas	44	31	30
Higher educational activities	37	136	211
Libraries and community services	16	22	25
Vocational education	22	44	49
Public Health Service:			
Construction of health educational facilities	5	31	66
Hospital construction activities	86	94	102
Community mental health resources support	.....	.....	25
Other education and health	5	11	38
Department of Housing and Urban Development:			
Metropolitan development:			
Open space land programs	8	28	58
Grants for basic water and sewer facilities	.....	40	110
Urban mass transportation	15	55	105
Other metropolitan development	.....	3	22

* Less than one-half million dollars

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS—Continued			
State and local assets—Continued			
Civil—Continued			
Department of the Interior:			
Bureau of Outdoor Recreation:			
Land and water conservation	3	29	51
Federal Water Pollution Control Administration:			
Construction grants for waste treatment works and other	83	85	161
Other	4	17	29
Department of Transportation:			
Federal Aviation Administration:			
Grants-in-aid for airports	54	54	59
Federal Highway Administration:			
Forest highways and other	41	46	4
Other agencies	----------	1	6
Total, State and local assets, civil	610	979	1,496
National defense: Department of Defense—Military	11	9	13
Total, State and local assets	621	988	1,508
Private assets—civil:			
Department of Agriculture:			
Soil conservation	131	134	141
Agricultural stabilization and conservation	382	454	463
Other	*	1	1
Department of Commerce: Merchant ships and other	78	71	80
Department of Health, Education, and Welfare:			
Office of Education:			
Higher educational activities	11	58	90
Construction of health educational facilities	----------	13	28
Public Health Service:			
Hospital construction activities	104	114	116
Construction of health research facilities	26	38	38
Other	6	6	21
National Science Foundation	51	50	69
Other agencies	1	3	9
Total, private assets	788	943	1,057
Total, additions to State, local, and private assets	1,409	1,931	2,566

* Less than one-half million dollars.

250-000 O—67——28

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)—Continued

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
DEVELOPMENTAL EXPENDITURES			
Education, training, and health:			
Civil:			
Funds appropriated to the President: Economic opportunity program	587	892	1,119
Department of Agriculture: Extension service	90	93	97
Department of Health, Education, and Welfare:			
Office of Education:			
Elementary and secondary educational activities	815	1,220	1,423
School assistance in federally affected areas	355	382	383
Higher educational activities	46	255	370
Vocational education	102	167	175
Libraries and community services	29	92	120
Educational improvement for the handicapped	12	21	30
Defense educational activities	164	212	166
Other	38	72	101
Vocational Rehabilitation Administration:	176	284	341
Grants for rehabilitation services and facilities			
Research and training			
Other			
Public Health Service:			
Health manpower		1	22
Chronic diseases	48	70	36
Communicable disease activities	26	30	40
Air pollution	8	14	33
Community health	30	59	38
Indian health activities	66	72	74
National Institutes of Health	45	103	135
National Institute of Mental Health	70	82	107
Comprehensive health planning and services		4	108
Other	158	200	211
Welfare Administration:			
Grants for maternal and child welfare	151	205	264
Other	25	32	32
Other	15	18	25
Department of the Interior:			
Bureau of Indian Affairs:			
Education and welfare	89	90	101
Other	*		8
Federal Water Pollution Control Administration	23	17	25
Other	1	1	1
Department of Labor:			
Manpower Administration:			
Manpower development and training	275	276	295
Other	16	28	31
National Science Foundation	134	142	151
Other agencies	28	45	60
Total, education, training, and health, civil	3,622	5,178	6,120
National defense: Atomic Energy Commission	14	17	17
Total, education, training, and health	3,636	5,196	6,138

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)—Continued

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
DEVELOPMENTAL EXPENDITURES—Continued			
Research and development:			
Civil:			
Department of Agriculture:			
Agricultural Research Service	132	148	154
Cooperative State Research Service	52	56	60
Forest Service	38	36	37
Other	21	21	20
Department of Commerce:			
National Bureau of Standards	32	25	31
Other	24	29	39
Department of Health, Education, and Welfare:			
Office of Education: Research and training and other	37	65	80
Vocational Rehabilitation Administration: Research and training and other	26	30	32
Public Health Service:			
National Institutes of Health	536	630	662
National Institute of Mental Health	94	114	112
Other	108	144	166
Other	18	23	25
Department of the Interior:			
Geological Survey	27	32	36
Bureau of Mines	26	21	31
Other	77	89	117
Department of Transportation:			
Federal Aviation Administration	42	37	37
Other	13	28	33
National Aeronautics and Space Administration	5,350	5,310	5,126
Veterans Administration	38	43	45
National Science Foundation	176	196	226
Other agencies	81	98	111
Total, research and development, civil	6,949	7,175	7,180
National Defense:			
Department of Defense—Military:			
Military personnel	288	292	277
Operation and maintenance	38	41	56
Procurement	80	60	50
Research, development, test, and evaluation	6,259	6,700	7,200
Other	10	11	13
Atomic Energy Commission	1,213	1,275	1,369
Military assistance	2	2	2
Total, research and development, national defense	7,890	8,381	8,967
Total, research and development	14,839	15,555	16,147
Engineering and natural resource surveys—civil:			
Department of Commerce	28	24	27
Department of Defense—Civil	21	25	32
Department of Housing and Urban Development	20	23	32
Department of the Interior:			
Geological Survey	46	47	49
National Park Service	31	35	39
Other	28	29	29

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
DEVELOPMENTAL EXPENDITURES—Continued			
Engineering and natural resource surveys—civil—Continued			
Other agencies	29	37	41
Total, engineering and natural resource surveys	203	219	248
Total, developmental expenditures	18,678	20,970	22,532
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture—civil:			
Department of Agriculture:			
Consumer and Marketing Service:			
Removal of surplus agricultural commodities	118	146	175
Other	7	8	8
Foreign Agricultural Service	21	25	28
Agricultural Stabilization and Conservation Service:			
Expenses	126	128	151
Sugar Act	88	88	90
Other	*	*	*
Commodity Credit Corporation and special export programs:			
Price support and related programs	2,836	3,697	2,752
Sale of agricultural commodities for dollars on credit terms	233	315	399
Export credit sales	----------	110	198
Transfer to supplemental stockpile	26	33	27
Sale for foreign currencies	1,138	984	906
National Wool Act	38	40	45
Other	7	−1	−2
Farmers Home Administration:			
Salaries and expenses	48	53	58
Direct loans and other	−37	−10	6
Other	85	60	70
Other agencies	18	8	6
Total, agriculture	4,750	5,685	4,916
Business:			
Civil:			
Department of Commerce:			
Patent Office	33	35	38
Maritime Administration: Ship operating subsidies and other	196	185	207
Other	54	59	71
Department of Defense—Civil:			
Corps of Engineers: Operation and maintenance	122	130	134
Other	−10	−13	−15
Post Office Department	218	504	−225
Department of Transportation:			
Coast Guard:			
Navigation aids and other	248	300	308
Federal Aviation Aministration: Operations	496	510	535
Other	3	2	15
Civil Aeronautics Board: Payments to air carriers	75	66	63
Small Business Administration:			
Business loan and investment fund	----------	48	63
Other	6	3	27

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Business—Continued			
Civil—Continued			
Other agencies	40	29	19
Total, business, civil	1,481	1,858	1,239
National defense: Funds appropriated to the President—Expansion of defense production	26	35	29
Total, business	1,506	1,893	1,268
Labor—civil: Other agencies	24	27	31
Homeowners and tenants—civil:			
Department of Housing and Urban Development:			
Renewal and housing assistance:			
Urban renewal	326	376	447
Low-rent public housing program	239	265	275
Other	−7	−3	34
Federal Housing Administration	−190	−129	−228
Other	2	3	6
Federal Home Loan Bank Board	−271	−178	−292
Other agencies	*	3	----------
Total, homeowners and tenants	99	337	243
Veterans—civil:			
Department of Health, Education, and Welfare: Payments for military service credits	----------	210	105
Veterans Administration:			
General operating expenses	158	176	178
Medical care	1,182	1,264	1,328
Compensation and pensions	4,214	4,349	4,548
Readjustment benefits	42	366	417
Veterans insurance programs	−48	−62	−65
Other	37	35	47
Other agencies	29	31	32
Total, veterans	5,614	6,369	6,591
International aids:			
Civil:			
Funds appropriated to the President:			
Foreign economic assistance	1,035	1,096	1,099
Peace Corps	94	99	111
Other	*	----------	----------
Department of Agriculture:			
Commodity Credit Corporation and special export programs: Commodities disposed of and other costs incurred in connection with donations abroad	413	410	494
Other	*	----------	----------
Export-Import Bank of Washington	−122	−108	−129
Other agencies	26	30	31
Total, international aids, civil	1,445	1,528	1,607

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
International aid —Continued			
National defense:			
Funds appropriated to the President: Military assistance	1,026	974	798
Total, international aids	2,471	2,502	2,405
Other aids and special services—civil:			
Funds appropriated to the President:			
Disaster relief	132	82	35
Economic opportunity program	332	582	700
Department of Agriculture:			
Special milk program	97	104	104
School lunch program	197	213	243
Food stamp program	69	138	193
Department of Health, Education, and Welfare:			
Public Health Service:			
Hospitals and medical care	55	57	54
Other	16	28	13
Social Security Administration: Health insurance for the aged	----------	950	931
Welfare Administration:			
Grants to States for public assistance	3,528	3,926	4,153
Assistance to refugees in the United States	12	19	28
Other	4	5	5
Other	27	37	52
Department of Housing and Urban Development:			
Comprehensive city demonstration programs	----------	6	150
Other	3	9	37
Department of the Interior: Bureau of Indian Affairs and other	58	57	66
Post Office Department	543	567	574
Department of Transportation	2	43	1
Other agencies	25	49	82
Total, other aids and special services	5,099	6,873	7,420
Total, current expenses for aids and special services	19,565	23,685	22,875
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance and operation of physical assets (excluding special services):			
Civil:			
Department of Agriculture: Forest Service	162	186	150
Department of Defense—Civil:			
Corps of Engineers	82	90	93
Other	*	*	*
Department of the Interior:			
Bureau of Land Management	27	35	28
National Park Service	28	30	32
Bureau of Reclamation	53	57	62
Bonneville Power Administration	16	−26	−28
Southeastern Power Administration	1	−25	−25
Other	27	24	27

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Repair, maintenance and operation of physical assets (excluding special services—Continued			
Civil—Continued			
General Services Administration: Public buildings	302	300	324
Tennessee Valley Authority	−126	−162	−131
Other agencies	41	41	36
Total, repair, maintenance and operation, civil	614	551	568
National defense:			
Department of Defense—Military:			
Operation and maintenance	14,672	18,559	18,961
Family housing	140	145	153
Atomic Energy Commission	140	121	120
Other agencies	*	*	*
Total, repair, maintenance and operation, national defense	14,953	18,825	19,234
Total, repair, maintenance and operation of physical assets	15,567	19,376	19,802
Regulation and control:			
The Judiciary	79	90	96
Department of Agriculture:			
Agricultural Research Service	66	71	70
Consumer and Marketing Service:			
Consumer protective, marketing, and regulatory programs			
Other			
Other	72	83	76
Department of Health, Education, and Welfare:			
Food and Drug Administration	35	42	42
Other	*	*	*
Department of Justice:			
Legal activities and general administration	67	81	82
Federal Bureau of Investigation	168	188	186
Immigration and Naturalization Service	75	79	80
Federal prison system	54	59	59
Other			19
Treasury Department	101	108	112
Department of Transportation:			
Coast Guard	35	38	39
Federal Aviation Administration	40	43	45
Other	*	*	
Interstate Commerce Commission	27	27	24
National Labor Relations Board	28	31	32
Other agencies	128	136	140
Total, regulation and control	976	1,076	1,103

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)—Continued

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other operation and administration:			
Civil:			
International activities:			
Department of State:			
Administration of foreign affairs	189	199	203
International organizations and conferences	100	107	115
Educational exchange	55	52	50
Other	2	2	2
United States Information Agency	160	166	177
Other agencies	4	4	3
Total, international activities	510	530	552
Federal financial activities:			
Legislative branch: General Accounting Office	46	50	53
Treasury Department:			
Bureau of Accounts	32	33	34
Bureau of the Public Debt	50	51	51
Internal Revenue Service	611	655	681
Other	32	11	14
Other agencies	5	5	5
Total, Federal financial activities	776	804	838
Other direct Federal programs:			
Legislative branch	155	179	189
Department of Commerce:			
Environmental Science Services Administration	95	97	118
Other	2	5	8
Department of Defense—Civil	48	61	65
Treasury Department: Claims, judgments, and private relief acts and other	39	24	5
General Services Administration	48	157	124
Civil Service Commission	25	23	24
Other agencies	48	57	59
Total, other direct Federal programs	462	606	594
Retirement, unemployment, and accident compensation for Federal employees:			
Department of Labor:			
Unemployment compensation for Federal employees	95	65	65
Employees compensation claims and expenses	49	56	55
Department of Transportation: Coast Guard: Retired pay	41	41	48
Civil Service Commission: Special payments and annuities	98	111	113
Other agencies	4	5	6
Total, retirement, unemployment, and accident compensation for Federal employees	286	277	287

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other operation and administration—Continued			
Civil—Continued			
Shared revenues and grants-in-aid:			
Department of Agriculture: Forest Service	36	43	44
Department of the Interior:			
Bureau of Land Management	68	71	75
Other	47	52	54
Treasury Department: Internal Revenue Service	52	52	52
District of Columbia: Federal payment	44	60	71
Other agencies	24	20	21
Total, shared revenues and grants-in-aid	271	297	315
Total, other operation and administration, civil	2,305	2,514	2,586
National defense:			
Department of Defense—Military:			
Military personnel (excluding research and development)	16,465	19,908	21,546
Family housing	267	284	302
Civil defense	65	75	75
Other	51	28	161
Selective Service System	54	60	58
Other agencies	6	6	2
Total, other operation and administration, national defense	16,909	20,362	22,145
Total, other operation and administration	19,214	22,876	24,731
Interest:			
On the public debt	12,014	13,400	14,050
Other interest:			
On refunds:			
Treasury Department	104	93	87
General Services Administration	*	*	*
On uninvested funds, Treasury Department	14	15	15
Total, other interest	118	109	103
Total, interest	12,132	13,509	14,153
Total, other services and current operating expenses	47,888	56,836	59,788
UNCLASSIFIED			
Participation sales fund	−129	−80	−77
Allowances for:			
Civilian and military pay increases			1,000
Possible shortfall in asset sales			750
Contingencies		100	400
Interfund transactions	−635	−766	−682
Total, unclassified	−764	−746	1,391
Total, administrative budget funds	106,978	126,729	135,033

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Trust Funds			
(Includes deposit funds and Government-sponsored enterprises)			
ADDITIONS TO FEDERAL ASSETS			
Loans—civil: To domestic private borrowers:			
Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance	----------	100	---------
Federal hospital insurance	----------	50	---------
Department of Housing and Urban Development: Secondary market operations	1,607	1,454	855
Department of Labor: Unemployment trust fund	----------	100	---------
Veterans Administration: Life insurance funds	44	139	38
Civil Service Commission: Civil service retirement and disability	----------	100	---------
Farm Credit Administration:			
Banks for cooperatives	154	276	272
Federal intermediate credit banks	391	500	400
Railroad Retirement Board: Railroad retirement account	----------	50	---------
Other agencies	3	−2	−1
Total, loans to domestic private borrowers	2,200	2,768	1,564
Public works—sites and direct construction:			
Civil:			
Department of Defense—Civil: Corps of Engineers and other	23	26	28
Other agencies	4	11	30
Total, public works—sites and direct construction	27	37	58
Major equipment:			
National defense: Department of Defense—Military	1	15	---------
Other physical assets—acquisition and improvement—civil:			
Department of Agriculture: Forest Service	24	26	30
Other agencies	*	*	---------
Total, other physical assets—acquisition and improvement	25	26	30
Total, additions to Federal assets	2,252	2,846	1,652
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS			
State and local assets—civil:			
Department of Transportation: Highway trust fund and other	3,856	3,820	3,789
Private assets:			
Civil:			
Farm Credit Administration: Federal land banks	574	628	625
Federal home loan banks	1,293	1,050	−400
Total, private assets, civil	1,867	1,678	225

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Trust Funds—Continued			
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS—Continued			
Private assets—Continued			
National Defense: Atomic Energy Commission	1	1	*
Total, private assets	1,868	1,679	225
Total, additions to State, local, and private assets	5,724	5,499	4,014
DEVELOPMENTAL EXPENDITURES			
Education, training, and health—civil	2	19	19
Research and development—civil:			
Department of Transportation: Highway trust fund and other	75	76	91
Other agencies	4	4	6
Total, research and development, civil	79	80	97
Engineering and natural resource surveys—civil	3	3	8
Total, developmental expenditures	83	103	125
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture—civil	1	2	1
Business—civil:			
Department of Commerce:			
Maritime Administration	5	36	35
Other	7	7	6
Federal Deposit Insurance Corporation	−227	−230	−256
Other agencies	*	*	2
Total, business, civil	−215	−187	−213
Labor—civil: Department of Labor: Unemployment trust fund	523	571	604
Homeowners and tenants—civil:			
Department of Housing and Urban Development: Secondary market operations	−38	−20	−20
Other agencies	1	*	*
Total, homeowners and tenants, civil	−37	−20	−21
Veterans—civil:			
Veterans Administration: Life insurance funds and other	514	637	551
Other agencies	7	8	8
Total, veterans, civil	521	644	559
International aids:			
Civil: Other agencies	10	9	10
National defense: Funds appropriated to the President: Military assistance advances	751	1,115	1,363
Total, international aids	761	1,124	1,373

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Trust Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services—civil:			
Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance: Operating expenses	253	341	358
Federal disability insurance: Operating expenses	189	92	106
Health insurance: Operating expenses	64	220	220
Other	*	*	*
Department of Transportation: Federal Highway Administration:			
Highway trust fund and other	35	42	57
Highway beautification			133
Department of the Interior:			
Indian tribal funds	84	72	62
Other	3	3	3
Other agencies	12	14	14
Total, other aids and special services	640	785	954
Total, current expenses for aids and special services	2,194	2,920	3,256
RETIREMENT AND SOCIAL INSURANCE BENEFITS			
Insurance benefits—civil: Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance	18,071	18,964	23,591
Federal disability insurance	1,721	1,845	2,242
Health insurance		3,256	3,945
Total, insurance benefits	19,793	24,065	29,778
Unemployment benefits—civil: Department of Labor: Unemployment trust fund	2,062	1,894	1,848
Other retirement and social insurance benefits:			
Civil Service Commission: Civil Service retirement and disability	1,528	1,782	1,953
Railroad Retirement Board:			
Railroad retirement account	1,194	1,239	1,390
Other		9	23
Other agencies	10	12	13
Total, other retirement and social insurance benefits, civil	2,731	3,042	3,380
Total, retirement and social insurance benefits	24,586	29,001	35,006
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance and operation of physical assets (excluding special services)—civil	2	3	3
Regulation and control—civil:			
Department of Agriculture: Consumer and Marketing Service:			
Inspection and grading and other	27	29	30
Other agencies	5	5	5
Total, regulation and control	32	33	35

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1966 actual	1967 estimate	1968 estimate
Trust Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other operation and administration:			
Civil:			
International activities:			
Department of Justice:			
Alien property fund, World War II	3	3	35
Other	*		1
Foreign Claims Settlement Commission: War claims fund	5	91	147
Other agencies	3	7	9
Total, international activities	11	101	192
Federal financial activities	*	*	*
Other direct Federal programs:			
Civil Service Commission:			
Civil Service retirement and disability funds	158	163	162
Health benefits and life insurance fund	−16	−53	−66
Other			
Other agencies	2	3	3
Total, other direct Federal programs	144	113	99
Shared revenues and grants-in-aid	20	28	25
Total, other operation and administration, civil	176	243	316
National defense: Department of Defense—Military and other	7	7	7
Total, other operation and administration	182	250	323
Total, other services and current operating expenses	216	286	361
UNCLASSIFIED			
Payments to other trust funds:			
Federal old-age and survivors insurance	444	532	477
Federal disability insurance	25	28	21
Alien property fund, World War II	150		27
Unemployment trust fund	82	82	82
Federal National Mortgage Association:			
Secondary market operations	−92		
Participation sales fund		−151	−393
Railroad retirement account	41	55	85
Payment to general fund: Unemployment trust fund	21	8	
District of Columbia	430	561	635
Advances from District of Columbia	*	7	10
Deposit funds	−520	−159	−122
Interfund transactions	−770	−734	−730
Total, unclassified	−190	228	92
Total, trust funds	34,864	40,882	44,507

*Less than one-half million dollars.

FEDERAL CREDIT PROGRAMS

(Excerpt)

(For additional details, see Special Analysis E in separate volume, *Special Analyses, Budget of the United States, 1968*)

Direct loans by Federal agencies have a major impact on the administrative budget whenever disbursements substantially exceed or fall short of repayments. Federal guarantees and insurance of private loans on the other hand, ordinarily have only a minor effect on Federal expenditures, and they help to minimize direct loans or to increase sales of such loans to private buyers. Net expenditures for Federal credit assistance, in total, are hence only a minor fraction of the dollar amount of credit assistance provided.

During the 1956–65 decade, net expenditures for loans in the administrative budget averaged $1.5 billion a year, producing a corresponding increase in the budget deficit or reduction in the budget surplus. Expanded efforts since then to refinance privately outstanding direct loans, primarily by sales of certificates of participation in pools of such loans, are substantially reducing budget expenditures for net credit outflow. In the consolidated cash budget for 1968, a net credit outflow of $0.9 billion is estimated compared to $2.3 billion in 1966 and $3.3 billion in 1967. The administrative budget, which excludes trust funds, will show a net credit inflow of $0.7 billion compared to net outflows of $0.1 billion in 1966 and $0.4 billion in 1967.

Since lending activity is not recorded in the Federal sector of the national income accounts, the increased emphasis upon sales of assets, by reducing net cash lending flow, has tended to bring both the administrative and cash budget totals into closer alignment with the payments shown in the Federal sector of the national income accounts. The latter more accurately measures the direct impact of Government taxing and spending on the flow of national income and production.

Estimated gross loan disbursements in the administrative budget will be much higher in both 1967 and 1968 than in 1966, primarily because of increases by the Export-Import Bank, the Farmers Home Administration, the Federal National Mortgage Association, and the Agency for International Development. Repayments, however, will rise even more than disbursements, predominantly because of the increase in participation sales over the 2-year period.

Despite the number and variety of major Federal credit programs, they directly affect only a small fraction of the total volume of credit, both public and private. In fact, direct Government loans and guarantees of private loans to domestic private borrowers accounted for only about 10% of the estimated gross private debt of $1,031 billion outstanding on June 30, 1966. Federal guarantees or insurance of private loans were responsible for most of the Federal assistance.

In recent years, and especially during the past 2 years, emphasis has been placed upon obtaining private participation in public credit programs wherever consistent with achievement of the purposes of

DISBURSEMENTS AND REPAYMENTS FOR MAJOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY AGENCY OR PROGRAM

(In millions of dollars)

Agency or program	1966 actual		1967 estimate		1968 estimate	
	Disbursements	Repayments	Disbursements	Repayments	Disbursements	Repayments
ADMINISTRATIVE BUDGET						
Office of Economic Opportunity	32	4	34	8	32	13
Department of Agriculture:						
Commodity Credit Corporation	1,537	2,241	1,656	2,373	1,251	1,768
Rural Electrification Administration	361	159	440	182	508	189
Farmers Home Administration	1,068	912	1,448	2,060	1,688	2,363
Department of Commerce:						
Economic Development Administration	45	9	58	12	169	96
Maritime Administration	8	10	--------	9	--------	9
Department of Defense: Military assistance credits	81	44	87	71	55	59
Department of Health, Education, and Welfare:						
Office of Education	233	1	259	101	291	201
Public Health Service	22	--------	38	--------	49	15
Department of Housing and Urban Development:						
Federal National Mortgage Association	327	755	751	857	673	714
Federal Housing Administration	365	264	721	605	363	279
Public housing program	199	201	219	219	246	247
College housing program	344	26	375	628	330	1,615
Urban renewal program	285	255	625	588	371	349
Other major programs	103	12	150	94	180	194
Department of the Interior: Reclamation loans	18	1	14	1	16	1
Department of State: Agency for International Development	1,406	150	1,725	176	1,797	190
Treasury Department:						
Loans to District of Columbia	71	49	90	38	53	3
Foreign loans	--------	35	--------	291	--------	97
Veterans Administration	461	1,097	525	362	540	1,008
Export-Import Bank of Washington	685	947	1,190	954	1,300	1,536
Small Business Administration	510	656	459	632	532	573
Other agencies or programs	226	78	355	93	193	104
Adjustments [1]	−401	−53	−483	−56	−553	−806
Total, administrative budget [2]	7,986	7,853	10,736	10,298	10,084	10,817
TRUST FUNDS						
Department of Housing and Urban Development: Federal National Mortgage Association	1,804	196	1,719	265	1,337	482
Veterans Administration	114	70	215	76	116	78
Farm Credit Administration:						
Banks for cooperatives	1,585	1,412	1,970	1,651	2,275	1,990
Federal intermediate credit banks	6,140	5,758	7,120	6,617	7,883	7,475
Other agencies	8	4	404	5	4	5
Total, trust funds	9,651	7,440	11,428	8,614	11,615	10,030
Total, budget and trust funds	17,638	15,293	22,164	18,912	21,699	20,847

[1] Allowance for possible shortfall in participation sales, transactions in foreign currencies, and sales credit extensions.

[2] Includes transactions reflected in both receipts and expenditures of the administrative budget.

such programs. Numerous methods are being employed to make this policy effective, including: (a) limitation of direct lending to cases where borrowers cannot otherwise obtain the funds on reasonable terms; (b) liberalization in lending authority of private institutions; (c) expanded use of Government guarantees and insurance of private loans as an alternative to direct loans; and (d) increased sales of Government loans to private lenders, either directly or through participation certificates.

The success demonstrated by the Export-Import Bank, the Veterans Administration, and the Federal National Mortgage Association in selling participations in their outstanding loans during 1962–65 led to the enactment of the Participation Sales Act of 1966. Under this act, five departments and agencies will set aside direct loans in a pool administered by the Federal National Mortgage Association as trustee. The Export-Import Bank will continue to sell participations in its own loans under separate authority.

The new law also makes possible for the first time inclusion in the pools of many loans which bear interest rates below current market levels. For this purpose the law authorizes appropriations, which, together with the interest on the loans in the pools, assure a level of return adequate to attract private investment. Such payments to cover interest insufficiencies do not introduce any significant additional budgetary costs. In effect, they substitute for costs already

DIRECT SALES AND PARTICIPATION SALES OF LOANS BY FEDERAL CREDIT PROGRAMS

(In millions of dollars)

Agency or program	1966 actual		1967 estimate		1968 estimate	
	Direct sales	Participation sales	Direct sales	Participation sales	Direct sales	Participation sales
Department of Agriculture: Farmers Home Administration	55		172	600	141	800
Department of Health, Education, and Welfare:						
Office of Education				100		[1] 200
Public Health Service						15
Department of Housing and Urban Development:						
Federal National Mortgage Association	6	605		740	34	605
Federal Housing Administration	8					
College housing loans				600		1,600
Public facility loans	3			80		80
Housing for the elderly						100
Veterans Administration:						
Direct loan revolving fund	9	685		154	10	250
Loan guarantee revolving fund	96	200		106	40	600
Export-Import Bank of Washington	63	761	165	700	50	1,000
Small Business Administration	120	350	5	500		500
Allowance for possible shortfall in participation sales						−750
Total, by type of sale	360	2,601	342	3,580	275	5,000
Grand total	2,961		3,922		[1] 5,275	

[1] Includes $100 million under proposed legislation.

incurred since interest received on these loans is less than the Treasury's borrowing costs.

Largely as a result of the enactment of this legislation, sales of financial assets are expected to increase from the $3 billion actually consummated in 1966 to $3.9 billion in 1967 and $5.3 billion in 1968. These figures exclude sales made as part of the usual process of guaranteeing or insuring loans, and sales from one Government agency to another, as well as regular amortization and prepayments of principal.

Of the total sales anticipated in 1968, $5.0 billion will be accomplished through sales of participations and $275 million from direct sales of individual loans. The timing of sales and the specific assets to be sold are subject to variation depending upon market developments and shifts in the inventory of available assets. For these and other reasons the estimates of participation sales assume that actual sales of participations in 1968 will be $750 million less than the total authorizations requested for such sales.

250-000 O—67——29

PART 7

HISTORICAL TABLES

Table 15. **ADMINISTRATIVE BUDGET TOTALS AND PUBLIC DEBT, 1789–1968 (in millions of dollars)**

Fiscal year	ADMINISTRATIVE BUDGET			Public debt at end of year [1]	Fiscal year	ADMINISTRATIVE BUDGET			Public debt at end of year [1]
	Receipts	Expenditures	Surplus (+) or deficit (−)			Receipts	Expenditures	Surplus (+) or deficit (−)	
1789–1849	1,160	1,090	+70	63	1933	1,997	4,598	−2,602	22,539
1850–1899	13,895	14,932	−1,037	1,437	1934	3,015	6,645	−3,630	27,734
1900	567	521	+46	1,263	1935	3,706	6,497	−2,791	32,824
1901	588	525	+63	1,222	1936	3,997	8,422	−4,425	38,497
1902	562	485	+77	1,178	1937	4,956	7,733	−2,777	41,089
1903	562	517	+45	1,159	1938	5,588	6,765	−1,177	42,018
1904	541	584	−43	1,136	1939	4,979	8,841	−3,862	45,890
1905	544	567	−23	1,132	1940	5,137	9,055	−3,918	48,497
1906	595	570	+25	1,143	1941	7,096	13,255	−6,159	55,332
1907	666	579	+87	1,147	1942	12,547	34,037	−21,490	76,991
1908	602	659	−57	1,178	1943	21,947	79,368	−57,420	140,796
1909	604	694	−89	1,148	1944	43,563	94,986	−51,423	202,626
1910	676	694	−18	1,147	1945	44,362	98,303	−53,941	259,115
1911	702	691	+11	1,154	1946	39,650	60,326	−20,676	269,898
1912	693	690	+3	1,194	1947	39,677	38,923	+754	258,376
1913	714	715	*	1,193	1948	41,375	32,955	+8,419	252,366
1914	725	725	*	1,188	1949	37,663	39,474	−1,811	252,798
1915	683	746	−63	1,191	1950	36,422	39,544	−3,122	257,377
1916	762	713	+48	1,225	1951	47,480	43,970	+3,510	255,251
1917	1,100	1,954	−853	2,976	1952	61,287	65,303	−4,017	259,151
1918	3,630	12,662	−9,032	12,455	1953	64,671	74,120	−9,449	266,123
1919	5,085	18,448	−13,363	25,485	1954	64,420	67,537	−3,117	271,341
1920	6,649	6,357	+291	24,299	1955	60,209	64,389	−4,180	274,418
1921	5,567	5,058	+509	23,977	1956	67,850	66,224	+1,626	272,825
1922	4,021	3,285	+736	22,963	1957	70,562	68,966	+1,596	270,634
1923	3,849	3,137	+713	22,350	1958	68,550	71,369	−2,819	276,444
1924	3,853	2,890	+963	21,251	1959	67,915	80,342	−12,427	284,817
1925	3,598	2,881	+717	20,516	1960	77,763	76,539	+1,224	286,471
1926	3,753	2,888	+865	19,643	1961	77,659	81,515	−3,856	289,211
1927	3,992	2,837	+1,155	18,512	1962	81,409	87,787	−6,378	298,645
1928	3,872	2,933	+939	17,604	1963	86,376	92,642	−6,266	306,466
1929	3,861	3,127	+734	16,931	1964	89,459	97,684	−8,226	312,526
1930	4,058	3,320	+738	16,185	1965	93,072	96,507	−3,435	317,864
1931	3,116	3,577	−462	16,801	1966	104,727	106,978	−2,251	320,369
1932	1,924	4,659	−2,735	19,487	1967 est.	116,995	126,729	−9,734	327,300
					1968 est.	126,937	135,033	−8,096	335,400

Note.—A classification of administrative budget receipts and expenditures for the period 1957 to 1968, inclusive, is found in table 18 (p. 455) and table 19 (pp. 456 to 461), respectively. The change inthe public debt from year to year is not necessarily the same as the administrative budget surplus or deficit. It reflects also changes in the Government's cash on hand, and the use of corporate debt and investment transactions by certain Government enterprises.

Certain interfund transactions are excluded from administrative budget receipts and expenditures starting in 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from administrative budget receipts and expenditures starting in 1913; comparable data are not available for prior years.

*Less than $500 thousand.

[1] Includes Government enterprise debt guaranteed by the U.S. Treasury.

Table 16. **CONSOLIDATED CASH TOTALS AND FEDERAL SECTOR OF THE NATIONAL INCOME ACCOUNTS, 1940–68** (in billions of dollars)

Fiscal year	Consolidated cash statement			Federal sector of the national income accounts		
	Receipts	Payments	Surplus (+) or deficit (−)	Receipts	Expenditures	Surplus (+) or deficit (−)
1940	6.9	9.6	−2.7	7.6	9.1	−1.5
1941	9.2	14.0	−4.8	12.1	13.4	−1.3
1942	15.1	34.5	−19.4	19.6	33.6	−14.0
1943	25.1	78.9	−53.8	28.9	76.8	−47.9
1944	47.8	94.0	−46.1	43.1	91.3	−48.1
1945	50.2	95.2	−45.0	43.0	98.2	−55.2
1946	43.5	61.7	−18.2	38.4	55.5	−17.1
1947	43.5	36.9	+6.6	42.7	29.5	+13.2
1948	45.4	36.5	+8.9	43.6	30.9	+12.7
1949	41.6	40.6	+1.0	40.0	39.6	+.4
1950	40.9	43.1	−2.2	42.0	42.4	−.5
1951	53.4	45.8	+7.6	60.8	44.6	+16.2
1952	68.0	68.0	*	65.1	66.0	−1.0
1953	71.5	76.8	−5.3	69.3	75.8	−6.5
1954	71.6	71.9	−.2	65.8	74.2	−8.5
1955	67.8	70.5	−2.7	67.2	67.3	−.1
1956	77.1	72.5	+4.5	75.8	69.8	+6.0
1957	82.1	80.0	+2.1	80.7	76.0	+4.7
1958	81.9	83.5	−1.6	77.9	83.1	−5.1
1959	81.7	94.8	−13.1	85.4	90.9	−5.5
1960	95.1	94.3	+.8	94.8	91.3	+3.5
1961	97.2	99.5	−2.3	95.3	98.0	−2.7
1962	101.9	107.7	−5.8	104.2	106.4	−2.1
1963	109.7	113.8	−4.0	110.2	111.4	−1.2
1964	115.5	120.3	−4.8	115.5	116.9	−1.4
1965	119.7	122.4	−2.7	120.6	118.3	+2.3
1966	134.5	137.8	−3.3	132.6	132.3	+.3
1967 (estimate)	154.7	160.9	−6.2	149.8	153.6	−3.8
1968 (estimate)	168.1	172.4	−4.3	167.1	169.2	−2.1

Note.—For an explanation of the consolidated cash statement and Federal sector of the national income accounts, see special analysis A (pages 394 to 402). Classifications of receipts and expenditures on both the consolidated cash and national income bases, for fiscal years 1957–68, are shown in table 21 (page 467), and table 22 (page 468), respectively.

* Less than $50 million.

Table 17. **FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1940–67 (in billions of dollars)**

Fiscal year	Gross national product	Administrative budget expenditures		Cash payments to the public		Federal purchases of goods and services		Public debt at end of year [1]	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1940	95.0	9.1	9.5	9.6	10.1	5.3	5.5	48.5	51.1
1941	109.4	13.3	12.1	14.0	12.8	9.6	8.8	55.3	50.6
1942	139.2	34.0	24.4	34.5	24.8	29.9	21.5	77.0	55.3
1943	177.5	79.4	44.7	78.9	44.5	72.3	40.8	140.8	79.3
1944	201.9	95.0	47.1	94.0	46.6	85.6	42.4	202.6	100.4
1945	216.8	98.3	45.3	95.2	43.9	89.7	41.4	259.1	119.5
1946	201.6	60.3	29.9	61.7	30.6	40.1	19.9	269.9	133.9
1947	219.8	38.9	17.7	36.9	16.8	13.0	5.9	258.4	117.5
1948	243.5	33.0	13.5	36.5	15.0	13.2	5.4	252.4	103.6
1949	260.0	39.5	15.2	40.6	15.6	19.3	7.4	252.8	97.2
1950	263.3	39.5	15.0	43.1	16.4	19.0	7.2	257.4	97.7
1951	310.5	44.0	14.2	45.8	14.7	25.1	8.1	255.3	82.2
1952	337.2	65.3	19.4	68.0	20.2	46.6	13.8	259.2	76.8
1953	358.9	74.1	20.7	76.8	21.4	56.1	15.6	266.1	74.1
1954	362.1	67.5	18.7	71.9	19.8	53.2	14.7	271.3	74.9
1955	378.6	64.4	17.0	70.5	18.6	43.9	11.6	274.4	72.5
1956	409.4	66.2	16.2	72.5	17.7	45.2	11.0	272.8	66.6
1957	431.3	69.0	16.0	80.0	18.5	47.7	11.1	270.6	62.7
1958	440.3	71.4	16.2	83.5	19.0	50.7	11.5	276.4	62.8
1959	469.1	80.3	17.1	94.8	20.2	54.7	11.7	284.8	60.7
1960	495.2	76.5	15.5	94.3	19.0	52.7	10.6	286.5	57.8
1961	506.5	81.5	16.1	99.5	19.7	55.5	11.0	289.2	57.1
1962	542.1	87.8	16.2	107.7	19.9	60.9	11.2	298.6	55.1
1963	573.4	92.6	16.2	113.8	19.8	63.4	11.1	306.5	53.4
1964	612.0	97.7	16.0	120.3	19.7	65.7	10.7	312.5	51.1
1965	651.8	96.5	14.8	122.4	18.8	64.3	9.9	317.9	48.8
1966	712.0	107.0	15.0	137.8	19.4	71.7	10.1	320.4	45.0
1967 (estimate)	762.5	126.7	16.6	160.9	21.1	83.6	11.0	327.3	42.9

[1] Includes Government enterprise debt guaranteed by the U.S. Treasury.

Table 18. **ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS, 1957–68** (in millions of dollars)

Description	Actual										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
ADMINISTRATIVE BUDGET FUNDS												
Individual income taxes	35,620	34,724	36,719	40,715	41,338	45,571	47,588	48,697	48,792	55,446	62,200	73,200
Corporation income taxes	21,167	20,074	17,309	21,494	20,954	20,523	21,579	23,493	25,461	30,073	34,400	33,900
Excise taxes (net)	9,055	8,612	8,504	9,137	9,063	9,585	9,915	10,211	10,911	9,145	9,300	8,800
Employment taxes	328	333	321	339	*	------	------	------	------	------	------	------
Estate and gift taxes	1,365	1,393	1,333	1,606	1,896	2,016	2,167	2,394	2,716	3,066	3,100	3,100
Customs	735	782	925	1,105	982	1,142	1,205	1,252	1,442	1,767	1,980	2,100
Miscellaneous receipts	2,760	3,200	3,160	4,062	4,080	3,206	4,435	4,076	4,619	5,865	6,780	6,517
Interfund transactions	−467	−567	−355	−694	−654	−633	−513	−664	−870	−635	−766	−682
Total administrative budget	70,562	68,550	67,915	77,763	77,659	81,409	86,376	89,459	93,072	104,727	116,995	126,937
TRUST FUNDS												
Employment taxes	7,192	8,233	8,446	10,728	12,404	12,561	14,862	16,832	16,905	20,022	26,444	28,392
Unemployment tax deposits by States	1,542	1,501	1,701	2,167	2,398	2,729	3,009	3,042	3,052	3,067	3,000	3,000
Excise taxes	1,479	2,026	2,074	2,539	2,798	2,949	3,279	3,519	3,659	3,917	4,514	4,946
Federal employee and agency payments for retirement	1,175	1,252	1,507	1,504	1,740	1,756	1,878	2,029	2,173	2,269	2,361	2,360
Interest on trust funds	1,324	1,350	1,323	1,337	1,414	1,433	1,477	1,613	1,770	1,908	2,268	2,690
Veterans life insurance premiums	452	485	478	482	504	501	494	494	488	511	517	515
Miscellaneous trust receipts	1,146	1,317	1,375	2,494	2,840	2,889	3,195	3,322	3,639	3,927	6,528	6,969
Interfund transactions	−10	−11	−135	−908	−515	−528	−505	−521	−638	−770	−734	−730
Total trust funds	14,301	16,153	16,769	20,342	23,582	24,290	27,689	30,331	31,047	34,853	44,898	48,142

Note.—Figures shown in this table are net of refunds, but correspond to the net figures used in the same classifications for fiscal years 1966 to 1968 in table 13 (pages 64 to 69).

*Less than $500 thousand.

Table 19. **ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1957–68** (in millions of dollars)

Description	Actual										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
ADMINISTRATIVE BUDGET FUNDS												
050 National defense:												
051 Department of Defense—Military:												
Military personnel	11,409	11,611	11,801	11,738	12,085	13,032	13,000	14,195	14,771	16,753	20,200	21,823
Operation and maintenance	9,487	9,761	10,378	10,223	10,611	11,594	11,874	11,932	12,349	14,710	18,600	19,017
Procurement	13,488	14,083	14,409	13,334	13,095	14,532	16,632	15,351	11,839	14,339	18,465	21,632
Research, development, test, and evaluation	2,406	2,504	2,866	4,710	6,131	6,319	6,376	7,021	6,236	6,259	6,700	7,200
Military construction	1,968	1,753	1,948	1,626	1,605	1,347	1,144	1,026	1,007	1,334	1,600	1,600
Other	−323	−643	−179	−416	−300	−9	−771	235	−29	1,015	1,385	1,028
Total, Department of Defense—Military	38,436	39,071	41,223	41,215	43,227	46,815	48,252	49,760	46,173	54,409	66,950	72,300
057 Military assistance	2,352	2,187	2,340	1,609	1,449	1,390	1,721	1,485	1,229	968	1,000	800
058 Atomic energy	1,990	2,268	2,541	2,623	2,713	2,806	2,758	2,765	2,625	2,403	2,270	2,330
059 Defense-related activities	590	709	379	244	104	92	24	172	136	−62	1	57
Total, national defense	43,368	44,234	46,483	45,691	47,494	51,103	52,755	54,181	50,163	57,718	70,222	75,487
150 International affairs and finance:												
151 Conduct of foreign affairs	157	173	237	217	216	249	346	297	346	315	335	346
152 Economic and financial assistance	1,559	1,788	3,305	1,381	1,927	2,130	1,826	1,479	2,094	1,864	2,321	2,403
153 Foreign information and exchange activities	133	149	139	137	158	197	201	207	223	227	242	248
154 Food for Freedom [1]	1,697	1,449	1,299	1,458	1,823	1,947	2,040	2,049	1,843	1,784	1,710	1,799
Total, international affairs and finance	3,545	3,559	4,980	3,195	4,124	4,523	4,412	4,032	4,506	4,191	4,608	4,797

250 Space research and technology:												
251 Space research and technology:												
Manned space flight	-------	-------	11	113	279	565	1,516	2,768	3,538	4,210	3,825	3,575
Space science and applications	-------	-------	26	133	249	420	576	754	751	778	770	740
Space technology	-------	-------	21	52	87	159	303	432	484	435	450	440
Aircraft technology	-------	-------	87	72	51	31	36	40	58	75	95	110
Supporting activities	-------	-------	1	30	79	82	122	178	262	435	460	435
Total, space research and technology	76	89	145	401	744	1,257	2,552	4,171	5,093	5,933	5,600	5,300
350 Agriculture and agricultural resources:												
351 Farm income stabilization [1]	1,858	1,956	4,096	2,239	2,176	2,871	3,693	3,798	3,236	1,925	2,368	2,467
352 Financing farming and rural housing	248	269	311	289	349	234	300	251	268	160	−532	−584
353 Financing rural electrification and rural telephones	267	297	315	330	301	303	342	342	392	373	259	319
354 Agricultural land and water resources	353	289	341	324	347	367	324	324	341	346	379	381
355 Research and other agricultural services	227	255	291	293	324	341	391	414	457	503	560	591
Total, agriculture and agricultural resources	2,952	3,066	5,354	3,475	3,498	4,116	5,050	5,129	4,696	3,307	3,035	3,173
400 Natural resources:												
401 Land and water resources [2]	948	1,182	1,255	1,319	1,488	1,680	1,853	1,927	2,023	2,235	2,218	2,443
402 Forest resources	163	174	201	220	331	280	303	332	374	406	463	449
403 Mineral resources	62	59	71	65	61	68	71	91	105	108	115	140
404 Fish and wildlife resources	51	60	68	68	73	81	94	105	120	130	134	139
405 Recreational resources	59	69	85	74	91	94	112	130	134	152	199	246
409 General resource surveys and administration	38	44	61	51	55	60	73	73	94	89	97	103
Total, natural resources	1,320	1,587	1,741	1,798	2,100	2,264	2,506	2,658	2,851	3,120	3,226	3,518

See footnotes at end of table p. 461.

Table 19. **ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1957–68** (in millions of dollars)—**Continued**

Description	Actual										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
ADMINISTRATIVE BUDGET FUNDS—Con.												
500 Commerce and transportation:												
501 Air transportation	219	315	494	568	716	781	808	835	875	879	946	890
502 Water transportation	365	392	436	508	569	654	672	658	728	708	757	806
503 Ground transportation [3]	40	31	30	38	36	33	41	39	39	46	92	19
505 Postal service	518	674	774	525	914	797	770	578	805	888	1,208	544
506 Advancement of business	119	170	234	265	271	427	366	401	557	193	182	407
507 Area and regional development [3 4]	------	*	------	------	------	7	101	401	398	156	207	323
508 Regulation of business	45	49	58	59	67	74	84	91	98	99	103	100
Total, commerce and transportation	1,305	1,632	2,025	1,963	2,573	2,774	2,843	3,002	3,499	2,969	3,495	3,089
550 Housing and community development:												
551 Aids to private housing	−254	−126	732	−172	−44	−149	−537	−595	−818	−406	−62	−376
552 Public housing programs	60	51	97	134	150	163	178	149	230	233	263	282
553 Urban renewal and community facilities	49	78	108	130	162	261	222	306	420	446	561	982
555 National Capital region	27	26	33	30	51	74	70	59	64	75	127	135
Total, housing and community development	−118	30	970	122	320	349	−67	−80	−104	347	890	1,023
650 Health, labor, and welfare:												
651 Health services and research [2]	461	523	664	774	917	1,177	1,437	1,784	1,781	2,523	4,265	4,767
652 Labor and manpower	397	488	924	510	809	591	224	345	464	500	493	526
653 Public assistance (excluding medical care for the aged) [2]	1,558	1,797	1,969	2,061	2,147	2,331	2,631	2,786	2,827	2,797	2,942	3,036
655 Economic opportunity programs	------	------	------	------	------	------	------	------	211	1,018	1,580	1,860
659 Other welfare services	216	234	284	304	327	382	423	466	513	736	1,109	1,114
Total, health, labor, and welfare	2,631	3,042	3,841	3,650	4,200	4,481	4,715	5,381	5,797	7,574	10,389	11,304

700 Education:												
701 Assistance for elementary and secondary education [5]	174	189	259	327	332	337	392	404	418	1,368	1,827	2,000
702 Assistance for higher education	110	178	225	261	286	350	428	383	413	701	451	−376
703 Assistance to science education and basic research	46	50	106	120	143	183	206	310	309	368	395	455
704 Other aid to education [5]	108	124	141	156	181	207	219	241	405	397	631	737
Total, education	437	541	732	866	943	1,076	1,244	1,339	1,544	2,834	3,304	2,816
800 Veterans benefits and services:												
801 Veterans service-connected compensation	1,876	2,024	2,071	2,049	2,034	2,017	2,116	2,158	2,176	2,221	2,298	2,427
802 Veterans non-service-connected pensions	950	1,037	1,152	1,265	1,532	1,635	1,698	1,743	1,864	1,910	1,931	2,037
803 Veterans readjustment benefits	977	1,025	864	725	559	388	−13	113	−50	−664	510	−42
804 Veterans hospitals and medical care	801	856	921	961	1,030	1,084	1,145	1,229	1,270	1,318	1,389	1,471
805 Other veterans benefits and services	266	242	280	266	259	279	240	249	235	238	266	231
Total, veterans benefits and services	4,870	5,184	5,287	5,266	5,414	5,403	5,186	5,492	5,495	5,023	6,394	6,124
850 Interest:												
851 Interest on the public debt	7,244	7,607	7,593	9,180	8,957	9,120	9,895	10,666	11,346	12,014	13,400	14,050
852 Interest on refunds of receipts	57	74	69	76	83	68	74	88	77	104	93	87
853 Interest on uninvested funds	6	8	9	10	10	10	11	11	12	14	15	15
Total, interest	7,307	7,689	7,671	9,266	9,050	9,198	9,980	10,765	11,435	12,132	13,508	14,152
900 General government:												
901 Legislative functions	90	89	102	109	118	135	131	126	142	159	171	178
902 Judicial functions	40	44	47	49	52	57	63	66	76	79	90	96
903 Executive direction and management	12	19	21	20	22	22	21	22	23	24	28	30
904 Central fiscal operations	476	502	566	558	607	653	715	791	825	864	909	940
905 General property and records management	201	245	295	372	372	419	444	576	606	585	676	691
906 Central personnel management	602	84	95	84	140	153	142	174	174	175	194	197
908 Protective services and alien control	219	233	255	263	289	300	323	335	366	385	445	465
910 Other general government	100	69	86	88	109	136	139	189	190	192	211	186
Total, general government	1,738	1,284	1,466	1,542	1,709	1,875	1,979	2,280	2,402	2,464	2,725	2,781

See footnotes at end of table p. 461.

Table 19. **ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1957–68** (in millions of dollars)—**Continued**

Description	Actual										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
ADMINISTRATIVE BUDGET FUNDS—Con.												
Allowance for:												
Civilian and military pay increase	------	------	------	------	------	------	------	------	------	------	------	1,000
Possible shortfall in asset sales	------	------	------	------	------	------	------	------	------	------	------	750
Contingencies	------	------	------	------	------	------	------	------	------	------	100	400
Interfund transactions	−467	−567	−355	−694	−654	−633	−513	−664	−870	−635	−766	−682
Total, administrative budget funds	68,966	71,369	80,342	76,539	81,515	87,787	92,642	97,684	96,507	106,978	126,729	135,033
TRUST FUNDS												
050 National defense	93	344	229	256	196	366	679	487	751	760	1,138	1,370
150 International affairs and finance	13	1	21	48	13	15	44	62	−160	171	111	229
250 Space research and technology	------	------	------	------	------	------	------	*	*	1	*	2
350 Agriculture and agricultural resources	426	357	645	458	416	398	507	496	927	1,151	1,382	1,224
400 Natural resources	85	101	94	116	183	112	122	137	134	145	145	148
500 Commerce and transportation	866	1,401	2,493	2,831	2,505	2,662	2,877	3,482	3,864	3,751	3,722	3,738
550 Housing and community development	1,044	−295	1,263	1,439	−273	1,524	−36	1,889	1,136	3,202	2,999	981
650 Health, labor, and welfare	9,585	12,775	14,306	16,358	19,236	20,382	21,855	22,733	23,186	26,384	31,477	37,111
700 Education	1	1	1	1	1	1	2	2	2	2	−4	−31
800 Veterans benefits and services	608	671	651	673	811	733	835	666	624	565	770	557
900 General government	8	10	10	17	16	20	19	18	21	24	33	29
Deposit funds	217	−29	−60	−78	203	−544	146	−567	−210	−520	−159	−122
Interfund transactions	−10	−11	−135	−908	−515	−528	−505	−521	−638	−770	−734	−730
Total, trust funds	12,938	15,325	19,521	21,212	22,793	25,141	26,545	28,885	29,637	34,864	40,882	44,507

*Less than $500 thousand.

[1] The program under which agricultural commodities are donated abroad through voluntary agencies was reclassified from subfunction 351, "Farm income stabilization" to subfunction 154, "Food for Freedom." Historical figures have been revised to reflect this change.

[2] The appropriations for the Water Pollution Control Administration were reclassified from subfunction 651, "Health services and research" to subfunction 401 "Land and water resources." Historical figures have been revised to reflect this change.

[3] The Appalachian development highway system appropriation has been reclassified from subfunction 503, "Ground transportation" to subfunction 507, "Area and regional development." This program affects figures only in the years 1966 through 1968.

[4] Amounts shown include expenditures under the temporary public works acceleration program, which supplements expenditures in the other functions as follows:

	1963	*1964*	*1965*	*1966*	*1967*	*1968*
Housing and community development (553)	$13	$176	$190	$50	$22	---
Community health facilities and waste treatment (651)	1	69	108	35	14	---
Land, water, mineral, forest, and wildlife resources (400; more than one subfunction)	44	64	19	3	2	---
Commerce, highways, and other transportation (500; more than one subfunction)	2	15	4	1	---	---
Federal facilities, post offices, and prisons (900; more than one subfunction)	1	6	1	---	---	---
Agriculture and agricultural resources (300; more than one subfunction)	1	1	----	---	---	---
All other functions	---	1	----	---	---	---
Total	62	332	322	88	38	---

[5] Three appropriations, Educational improvement for the handicapped, Civil rights educational activities, and Arts and humanities educational activities, are reclassified from subfunction 704, "Other aid to education" to subfunction 701, "Assistance for elementary and secondary education," beginning in 1966. A proposed shift in appropriation patterns for the Office of Education changes the subfunction of some other programs, beginning in 1968.

Table 20. **NEW OBLIGATIONAL AUTHORITY FOR ADMINISTRATIVE BUDGET FUNDS BY FUNCTION, 1957–68**
(in millions of dollars)

Description	Enacted										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
050 National defense:												
051 Department of Defense—Military:												
Military personnel	11,052	10,982	11,458	11,596	11,778	12,710	12,739	13,883	14,656	17,073	20,435	22,025
Operation and maintenance	9,734	10,221	10,187	10,317	10,702	11,759	11,496	11,705	12,603	15,339	19,274	19,154
Procurement	11,294	10,983	14,304	11,701	11,716	15,746	16,647	15,645	13,836	20,013	22,886	22,917
Research, development, test, and evaluation	2,185	2,345	3,777	5,620	6,033	6,402	6,993	6,984	6,483	6,746	7,181	7,273
Military construction	1,915	2,086	1,384	1,364	1,061	972	1,204	949	1,049	2,566	1,097	2,123
Other	75	130	57	30	30	582	717	756	736	2,156	1,161	1,182
Total, Department of Defense—Military	36,255	36,747	41,168	40,628	41,321	48,170	49,795	49,922	49,363	63,892	72,034	74,674
057 Military assistance	2,018	1,340	1,515	1,331	1,785	1,577	1,325	1,000	1,130	1,023	782	596
058 Atomic energy	1,962	2,362	2,723	2,802	2,781	2,547	3,135	2,743	2,625	2,366	2,199	2,493
059 Defense-related activities	131	63	179	71	107	119	68	98	80	83	93	88
Total, national defense	40,365	40,512	45,586	44,832	45,994	52,414	54,323	53,762	53,198	67,364	75,108	77,851
150 International affairs and finance:												
151 Conduct of foreign affairs	205	179	216	201	244	253	422	295	307	328	336	348
152 Economic and financial assistance	1,800	3,442	6,493	2,176	2,721	2,540	4,813	2,227	3,862	3,287	2,613	2,771
153 Foreign information and exchange activities	145	138	149	192	175	183	207	214	217	244	228	249
154 Food for Freedom	156	2,148	1,153	1,073	996	3,013	1,879	1,720	2,317	1,658	1,617	1,772
Total, international affairs and finance	2,306	5,907	8,012	3,640	4,136	5,990	7,322	4,457	6,703	5,517	4,794	5,142

250 Space research and technology:												
251 Space research and technology:												
Manned space flight	--------	--------	69	151	421	909	2,245	3,457	3,452	3,530	3,398	3,436
Space science and applications	--------	--------	138	177	321	504	695	804	776	804	672	764
Space technology	--------	--------	50	64	113	250	492	487	499	404	385	424
Aircraft technology	--------	--------	70	62	38	28	47	53	82	80	103	120
Supporting activities	--------	--------	4	68	73	130	217	401	357	334	350	367
Adjustments (distribution not available)	--------	--------	−26	1	−2	3	−23	−102	83	23	60	−60
Total, space research and technology	78	117	305	524	964	1,825	3,673	5,100	5,250	5,175	4,968	5,050
350 Agriculture and agricultural resources:												
351 Farm income stabilization	3,817	3,200	2,992	2,940	2,434	2,191	4,048	4,206	2,742	3,346	3,574	2,131
352 Financing farming and rural housing	723	242	281	265	503	373	104	114	205	314	82	94
353 Financing rural electrification and rural telephones	522	248	419	275	320	418	490	506	447	466	504	48
354 Agricultural land and water resources	338	317	344	334	341	343	319	337	363	373	360	243
355 Research and other agricultural services	250	283	312	327	359	363	393	425	496	538	566	580
Total, agriculture and agricultural resources	5,650	4,290	4,349	4,142	3,957	3,687	5,355	5,588	4,253	5,037	5,086	3,096
400 Natural resources:												
401 Land and water resources	1,028	1,105	1,356	2,129	1,510	1,684	1,895	1,992	2,246	2,368	3,388	2,479
402 Forest resources	164	186	197	225	339	306	348	357	430	394	524	512
403 Mineral resources	64	60	75	60	63	83	90	90	119	106	131	124
404 Fish and wildlife resources	69	65	61	67	76	90	106	112	131	151	146	143
405 Recreational resources	70	77	84	86	95	115	134	127	152	249	239	281
409 General resource surveys and administration	41	47	59	52	57	61	75	76	96	87	98	106
Total, natural resources	1,436	1,540	1,832	2,621	2,140	2,339	2,648	2,754	3,173	3,356	4,526	3,645

Table 20. **NEW OBLIGATIONAL AUTHORITY FOR ADMINISTRATIVE BUDGET FUNDS BY FUNCTION, 1957–68**
(in millions of dollars)—Continued

Description	Enacted										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
500 Commerce and transportation:												
501 Air transportation	295	443	617	636	771	812	838	901	814	950	1,060	801
502 Water transportation	447	347	549	561	604	615	599	695	786	816	834	889
503 Ground transportation	55	38	36	36	36	36	50	42	40	111	305	23
505 Postal service	524	908	625	646	895	874	840	719	781	962	1,227	651
506 Advancement of business	200	231	365	384	262	542	595	366	424	653	350	404
507 Area and regional development	-------	(*)	-------	-------	300	171	[1] 1,012	[1] 176	[1] 326	333	430	426
508 Regulation of business	45	52	56	59	69	76	85	90	98	101	104	101
Total, commerce and transportation	1,566	2,019	2,249	2,323	2,937	3,126	4,020	2,989	3,269	3,927	4,309	3,295
550 Housing and community development:												
551 Aids to private housing	490	3,024	20	63	931	330	247	322	41	198	712	640
552 Public housing programs	104	111	128	142	159	179	195	212	225	237	278	307
553 Urban renewal and community facilities	209	356	110	359	2,910	52	43	24	885	1,225	1,044	1,894
555 National capital area	35	34	34	64	82	68	74	95	119	124	152	160
Total, housing and community development	838	3,525	292	628	4,082	630	559	653	1,269	1,784	2,187	3,001
650 Health, labor, and welfare:												
651 Health services and research	548	585	778	866	1,106	1,468	1,757	1,941	2,343	3,365	4,910	5,441
652 Labor and manpower	398	1,103	505	517	1,060	618	329	393	658	702	632	649
653 Public assistance (excluding medical care for the aged)	1,565	1,769	1,960	2,040	2,158	2,304	2,657	2,736	2,947	2,870	2,986	3,116
655 Economic opportunity programs	-------	-------	-------	-------	-------	-------	-------	-------	793	1,434	1,612	2,060
659 Other welfare services	655	228	267	302	311	491	524	527	587	903	973	1,110
Total, health, labor, and welfare	3,166	3,686	3,510	3,726	4,635	4,881	5,268	5,597	7,328	9,274	11,113	12,377

700 Education:												
701 Assistance for elementary and secondary education	222	226	288	334	367	382	419	407	488	1,790	1,969	2,267
702 Assistance for higher education	262	188	52	318	602	432	449	484	981	1,424	1,430	1,598
703 Assistance to science education and basic research	40	52	138	155	176	263	322	353	420	480	480	526
704 Other aid to education	147	131	148	162	188	209	229	285	528	621	744	853
Total, education	671	597	626	969	1,333	1,285	1,420	1,530	2,417	4,315	4,623	5,245
800 Veterans benefits and services:												
801 Veterans service-connected compensation	1,881	2,003	2,062	2,074	2,034	2,017	2,117	2,158	2,176	2,311	2,394	2,432
802 Veterans non-service-connected pensions	955	1,017	1,146	1,292	1,713	1,428	1,700	1,733	1,864	2,001	2,012	2,042
803 Veterans readjustment benefits	1,070	939	874	840	494	638	296	218	199	43	369	428
804 Veterans hospitals and medical care	825	878	899	948	1,064	1,110	1,170	1,217	1,306	1,358	1,409	1,475
805 Other veterans benefits and services	288	283	293	266	280	266	263	263	265	307	314	299
Total, veterans benefits and services	5,019	5,121	5,275	5,419	5,586	5,459	5,546	5,589	5,810	6,019	6,498	6,676
850 Interest:												
851 Interest on the public debt	7,244	7,607	7,593	9,180	8,957	9,120	9,895	10,666	11,346	12,014	13,400	14,050
852 Interest on refunds of receipts	57	74	69	76	83	68	74	89	77	104	94	88
853 Interest on uninvested funds	6	8	9	10	10	10	11	11	12	14	15	15
Total, interest	7,307	7,689	7,671	9,266	9,050	9,198	9,980	10,765	11,436	12,132	13,509	14,153
900 General government:												
901 Legislative functions	78	85	103	99	108	107	129	127	139	158	166	178
902 Judicial functions	40	44	48	49	54	60	64	67	77	83	91	97
903 Executive direction and management	13	17	19	24	22	23	22	23	25	27	28	30
904 Central fiscal operations	477	525	550	565	625	668	729	785	865	907	932	948
905 General property and records management	276	269	494	282	490	566	603	606	598	578	642	550
906 Central personnel management	602	84	95	85	140	160	142	173	174	176	196	198
908 Protective services and alien control	221	240	259	273	303	302	325	352	394	404	428	487
910 Other general government	68	78	91	107	119	143	156	185	230	207	209	177
Total, general government	1,776	1,342	1,659	1,484	1,861	2,028	2,170	2,318	2,501	2,540	2,691	2,664

*Less than $500 thousand.

[1] Amounts shown include Public works acceleration program, 1963, $850; 1964, $30; 1965, $4; 1966 and 1967, $0.

250-000 O—67——30

Table 20. **NEW OBLIGATIONAL AUTHORITY FOR ADMINISTRATIVE BUDGET FUNDS BY FUNCTION, 1957–68**
(in millions of dollars)—Continued

Description	Enacted										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
Allowances for:												
Civilian and military pay increases	------	------	------	------	------	------	------	------	------	------	------	1,000
Contingencies	------	------	------	------	------	------	------	------	------	------	150	800
Total, administrative budget funds	70,179	76,345	81,365	79,574	86,675	92,862	102,283	101,103	106,608	126,439	139,562	143,994

Table 21. **RECEIPTS FROM AND PAYMENTS TO THE PUBLIC, 1957–68** (in millions of dollars)

Description	Actual										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
RECEIPTS FROM THE PUBLIC												
Individual income taxes	35,620	34,724	36,719	40,715	41,338	45,571	47,588	48,697	48,792	55,446	62,200	73,200
Corporation income taxes	21,167	20,074	17,309	21,494	20,954	20,523	21,579	23,493	25,461	30,073	34,400	33,900
Excise taxes	10,534	10,638	10,578	11,676	11,860	12,534	13,194	13,731	14,570	13,062	13,814	13,746
Employment taxes	7,520	8,565	8,767	11,067	12,405	12,561	14,862	16,832	16,905	20,022	26,445	28,392
Estate and gift taxes	1,365	1,393	1,333	1,606	1,896	2,016	2,167	2,394	2,716	3,066	3,100	3,100
Customs	735	782	925	1,105	982	1,142	1,205	1,252	1,442	1,767	1,980	2,100
Deposits by States, unemployment insurance	1,542	1,501	1,701	2,167	2,398	2,729	3,009	3,042	3,052	3,067	3,000	3,000
Veterans life insurance premiums	452	485	478	482	504	501	494	494	488	511	517	515
Other budget and trust receipts	3,171	3,730	3,851	4,766	4,905	4,288	5,641	5,596	6,274	7,466	9,206	10,153
Total, receipts from the public	82,105	81,892	81,660	95,078	97,242	101,865	109,739	115,530	119,699	134,480	154,662	168,106
PAYMENTS TO THE PUBLIC												
National defense	43,442	44,552	46,673	45,915	47,685	51,462	53,429	54,514	50,790	58,464	71,325	76,828
International affairs and finance	4,209	3,978	3,599	2,937	3,777	4,198	4,066	3,837	4,794	4,463	5,264	4,988
Space research and technology	76	89	145	401	744	1,257	2,552	4,171	5,093	5,933	5,600	5,302
Agriculture and agricultural resources	3,033	2,994	5,816	3,470	3,508	4,177	5,362	5,416	5,142	4,114	4,103	4,076
Natural resources	1,402	1,684	1,825	1,906	2,195	2,339	2,609	2,774	2,921	3,229	3,250	3,538
Commerce and transportation	2,200	3,060	4,545	4,819	5,107	5,487	5,777	6,545	7,421	6,784	7,356	6,911
Housing and community development	842	−319	2,141	1,440	−103	1,691	−268	1,674	908	3,425	3,918	1,814
Health, labor, and welfare	12,107	15,740	17,981	19,067	22,321	23,918	25,624	27,191	28,191	33,249	39,498	46,609
Education	439	542	733	867	945	1,052	1,214	1,299	1,497	2,780	3,333	2,738
Veterans benefits and services	5,448	5,828	5,910	5,907	6,187	6,092	5,971	6,107	6,080	5,556	7,092	6,664
Interest	5,266	5,884	5,350	7,233	7,257	6,940	7,427	8,011	8,605	9,215	9,877	10,509
General government	1,744	1,292	1,475	1,558	1,677	1,837	1,953	2,221	2,341	2,404	2,694	2,729
Deposit funds (net)	217	−29	−60	−78	203	−544	−194	−567	−210	−520	−159	−122
Undistributed adjustments	−420	−1,823	−1,382	−1,114	−1,960	−2,244	−1,771	−2,862	−1,179	−1,279	−2,292	−181
Total, payments to the public	80,006	83,472	94,752	94,328	99,542	107,662	113,751	120,332	122,395	137,817	160,859	172,403
Excess of receipts (+) or payments (−)	+2,099	−1,580	−13,092	+750	−2,300	−5,797	−4,012	−4,802	−2,696	−3,337	−6,197	−4,297

Note.—This table shows the flow of money between the Government and the public on a cash (collections and checks paid) basis, which is explained in more detail in Special Analysis A, pages 394 to 402.

Table 22. **FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS, 1957–68**

(Fiscal years. In billions of dollars)

Description	Actual										Estimate	
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
RECEIPTS, NATIONAL INCOME BASIS												
Personal tax and nontax	36.7	36.3	38.2	42.5	43.6	47.3	49.6	50.7	51.3	57.9	65.5	76.8
Corporate profits tax accruals	20.6	17.8	21.5	22.3	20.3	22.9	23.5	25.6	27.8	30.7	32.3	35.3
Indirect business tax and nontax accruals	11.7	11.6	11.9	13.2	13.3	14.2	15.0	15.6	16.9	15.9	16.5	16.9
Contributions for social insurance	11.7	12.2	13.8	16.7	18.1	19.9	22.1	23.6	24.6	28.1	35.5	38.1
Total receipts, national income basis	80.7	77.9	85.4	94.8	95.3	104.2	110.2	115.5	120.6	132.6	149.8	167.1
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services	47.7	50.7	54.7	52.7	55.5	60.9	63.4	65.7	64.3	71.7	83.6	91.9
Transfer payments	16.3	19.5	21.6	22.4	25.6	27.2	28.5	29.6	30.4	34.3	39.8	46.6
Grants-in-aid to State and local governments	3.7	4.7	6.2	6.8	6.9	7.6	8.4	9.8	10.9	12.9	14.8	16.7
Net interest paid	5.5	5.7	5.9	7.0	6.8	6.8	7.5	8.1	8.5	9.1	10.0	10.5
Subsidies less current surplus of Government enterprises	2.8	2.5	2.4	2.3	3.2	3.8	3.6	3.8	4.1	4.5	5.4	3.5
Total expenditures, national income basis	76.0	83.1	90.9	91.3	98.0	106.4	111.4	116.9	118.3	132.3	153.6	169.2
Surplus (+) or deficit (−) national income basis	+4.7	−5.1	−5.5	+3.5	−2.7	−2.1	−1.2	−1.4	+2.3	+.3	−3.8	−2.1

Source.—Actual data for 1957–66 are based on the quarterly estimates prepared by the Department of Commerce. Data for 1967 and 1968 are based on estimates by the Bureau of the Budget in cooperation with the Department of Commerce.

INDEX

A

Accelerator, high energy proton, construction of, 24, 86–87
Accounts, Bureau of, 327–328
Administrative budget:
  Disbursements and repayments, major credit programs, table, 447
  Discussion, 12–16
  Expenditures:
    By agency, for each appropriation and fund account, 174–367
    By agency, summary, table 6, 46
    By degree of controllability, text and table, 13–14
    By function:
      1956–68, table 19, 456–461
      Distributed by agency, table 14, 155–163
      Summary, table A–2, 396
    Increases, by major civilian programs, 1966–68, text and table, 15
    Investment, operating and other, summary, table 7, D–2, 47, 428–441
    Payments to the public, by program table, 18
    Relation of, to obligational authority, summary, table 8, 48
    Totals, fiscal years 1789–1968, table 15, 452
    See also under program titles
  Explanation of, 394–396
  New obligational authority:
    By agency, summary, table 5, 45
    By function, table 20, 462–466
    By type and function, summary, table 4, 44
  Obligational authority, balances of, by agency, summary, table 10, 51
  Obligations incurred, net, by agency, table 9, 50
  Payments to the public, *see* Payments to the public
  Receipts:
    By source:
      1956–68, table 18, 455
      1966–68, detailed list, table 13, 64–67, 69
      Summary, table A–2, 396
    Estimated effect of proposed legislation on, text table, 60
    Exclusions, text and table B–8, 411–412
    From the public, by source, 1966–68, 60
    Totals summary, fiscal years 1789–1968, table 15, 452
  Relation of, to consolidated cash statement and national income accounts, 1966–68, text and table A–1, 395, 397–399
  Summary, table 1, 41
  Totals, net increase or decrease, 367
  Totals and public debt, fiscal years 1789–1968, table 15, 452
Administrative Conference of the United States, 344
Adult education, basic, 142
Advisory Commission on Intergovernmental Relations, 352
Aeronautics and Space Administration, *see* National Aeronautics and Space Administration
African countries, assistance to, 90–91
Aged, programs for, 135
Aging, Administration on, 268
Agency for International Development, 89–91
Agricultural assistance to developing countries, 20
Agricultural Library, National, 214
Agricultural Marketing Service, 203–204
Agricultural research, 100
Agricultural Research Service, 200
Agricultural Stabilization and Conservation Service, 205–207
Agriculture, Department of, 200–217, 369
Agriculture and agricultural resources:
  Analysis, 96–100
  Discussion, 22–23
  International Development Service, 205
  NOA and expenditures, 1966–68, distributed by agency, table 14, 156–157
Aid, foreign, *see* Foreign assistance.
Air and missile defense, 80–81
Air pollution, 27, 127
Air transportation, 110–111
Aircraft, supersonic, civil, 25
Airlift, defense, 82–83
Alaska, Federal Development Planning Committees for, 344
Alaska programs, 193
Alliance for Progress, 21
American Battle Monuments Commission, 344, 383
American Printing House for the Blind, 268
Annexed budgets:
  Expenditures and applicable receipts, table B–7, 411
  Explanation of, 410
  Memorandum, 391
Appalachian Regional Commission, 352, 384
Appalachian Trail, proposed extension, 110
Appeals courts, 188–189
Apprenticeship and Training, Bureau of, 305
Architect of the Capitol, 180–183
Armed Forces, *see* Military personnel
Arms Control and Disarmament Agency, U.S., 363
Army, Department of the—Civil, 245–247
Arts, John F. Kennedy Center for the Performing, 359
Arts and Humanities, National Foundation on the, 355

Atlantic-Pacific Interoceanic Canal Study Commission, 360
Atomic energy activities, 85–87
Atomic Energy Commission, 333–381
Authorizations, contract, explanation, 170–171
Authorizations, permanent, *see* Permanent authorizations
Authorizations, permanent, explanation, 171

B

Balance of payments, programs to improve, 21-108
Balances:
  Budget, explanation, 172
  Obligational authority, by agency and type, table 10, 51
  Public enterprise funds, table B–3, 407
  Trust fund, 1966–68, June 30, table B–6, 409
Battle of New Orleans Sesquicentennial Celebration Commission, 351
Beauty-Safety Trust Fund, proposed, 111
Biomedical research, 86–87, 127
Blind, American Printing House for the, 268
Bonneville Power Administration, 295
Borrowing by Government enterprise funds, text and table B–10, 413–414
Botanic Garden, 183
Budget:
  Bureau of the, 190
  Format, 2
  In relation to national goals, 38
  Message of the President, 38
  Résumé of, table 1, 41
  Special allowances, 1967 and 1968, explanation, 173
  Summary of, table and text, 12–16
  Terms, explanation of, 170–173
  Three types of accounts, explanation of, 394–402
Budgetary concepts, proposed review of, 36
Business, adancement of, 106–109
Business, small, *see* Small business.
Business and Defense Services Administration, 222
Business Economics, Office of, 218

C

Cemeterial expenses, Army, 245
Census, Bureau of the, 218–219
Census, 1970 Decennial, 106
Census, Sample Household Survey, 24, 106
Central Intelligence Agency, 344
Child health services, 27, 37
Children, disadvantaged, programs for, 29, 136
City demonstration projects, 25–26, 116
Civil Aeronautics Board, 345
Civil defense, 241–242
Civil rights, 154
Civil Rights, Commission on, 347
Civil Service Commission, 345–346, 383–384
Civil War Centennial Commission, 351, 384
Claims, Court of, 187
Coal Research, Office of, 287
Coast and Geodetic Survey, 225
Coast Guard, U.S., 318–319
Combat forces capability, 81
Commerce, programs for, discussion, 24–25
Commerce Department, 217–230, 370
Commerce Department-Labor Department merger, 33–34
Commerce and transportation:
  NOA and expenditures, 1966–68, distributed by agency, table 14, 158–159
  Program analysis, 106–112
Commercial Fisheries, Bureau of, 287–289
Commission on Marine Science, Engineering, and Resources, 191
Commodity Credit Corporation, 207–209
Commodity Exchange Authority, 205
Communications activities, General Services Administration, 336
Community action programs, discussion, 28, 130–132
Community development, 25–26, 113–117
Community development NOA and expenditures, 1966–68, distributed by agency, table 14, 159
Community Relations Service, 301
Compensation:
  Federal personnel, table C–3, 420–421
  President of the United States, 189
  Vice President of the United States, 174
Conservation, *see also* Land; Water
Consolidated cash budget, as basis for review of Federal programs, 73–75
Consolidated cash statement:
  Derivation of totals table A–3, 397
  Explanation of, 396–399
  Intragovernmental transactions excluded from, table A–4, 398
  Payments to the public, table 2, 42
  Receipts from the public, table 2, 42
  Relation of, to administrative budget and national income accounts, 1966–68, text and table A–1, 395, 397–399
  Relation of, to Federal sector account, 399–400
  Summary, table 1, 41
  Totals, 1940–68, table 16, 453
Consumer Interests, President's Committee on, 310
Consumer and Marketing Service, 203–204
Consumer protection, 127–128
Contract authorizations, explanation, 170–171
Cooperative State Research Service, 201
Corps of Engineers, 245–247
Corregidor-Bataan Memorial Commission, 351
Cost reduction in Government, discussion, 37
Cost-benefit analysis of Federal programs, 36–37
Council of Economic Advisers, 190
Courts, 186–189
Creative federalism, 33, 34–35
Credit, easing of, 9
Credit programs, Federal:
  Direct sales and participation sales of loans, by agency or program, table, 448
  Disbursements and repayments, by agency or program, table, 447
  Participation certificates sales discussion, 15–16
  Private participation in, 446–449

Crime in the District of Columbia, President's Commission on, 361
Crime and law enforcement, discussion, 31
Cropland adjustment, 98
Customs, Bureau of, 328
Customs Court, 187
Customs and Patent Appeals, Court of, 187

D

Deaf, education of, 269
Debt issuances, by Government enterprises, table B-10, 413-414
Debt issuances, in lieu of checks, 398
Decennial Census, 1970, 106
Defense:
  Civil, 241-242
  Department of—Civil, 245-249, 370-371
  Department of—Military, 84, 231-244, 370
  National:
    Discussion, 9, 19-20, 73
    NOA and expenditures, 1966-68, distributed by agency, table 14, 155
    Program analysis, 75-87
Defense materials activities, General Services Administration, 337
Defense production, expansion of, 194
Deficit, administrative budget, discussion, 13, 16
Deficit, national income accounts, 9, 10, 12
Definition of budget terms, 170-173
Delaware River Basin Commission, 353
Demonstration cities, *see* City
Deposit funds, explanation, 170
Disarmament, *see* U.S. Arms Control and Disarmament Agency
Disaster relief, 194
Disbursements, major Federal credit programs, table, 447
Disease prevention and control, 27, 37, 255-257
District of Columbia, 31, 365-366, 387
District of Columbia, *see also* National Capital
District courts, 188-189

E

Economic Advisers, Council of, 190
Economic assistance, foreign, *see* Foreign assistance
Economic assumptions as base for revenue estimates, 1965-67, 56
Economic development assistance, Commerce, 220-221
Economic growth and stability, discussion, 8, 10-11
Economic Opportunity, Office of, 8, 27
Economic opportunity programs, 28, 130-132
Economic Research Service, Agriculture, 203
Economies in Federal operations, text and table, 15, 33
Economy, national, effect of expenditures on, discussion, 72-73
Economy, national, status of, 7-8
Education:
  Adult, basic, 142
  Deaf, 269
Education—Continued
  Discussion and text table, 29-30
  Elementary and secondary, assistance for, 136-139
  Higher, assistance for, 139-141
  NOA and expenditures, 1966-68, distributed by agency, table 14, 160-161
  Office of, 250-253
  Program analysis, 136-141
  Science, assistance for, 142
  Vocational, discussion, 30, 142
Educational assistance to developing countries, 20
Educational exchange, 316-317
Elderly, *see* Aging
Electric power programs, 100-102
Emergency fund for the President, 194
Emergency Planning, Office of, 191-192
Employees' Compensation, Bureau of, 308
Employment, Federal civilian:
  Analysis, 416-423
  By agency, summary, table 12, 53
  By geographical location, as of June 1965, table C-2, 419
  Compensation and benefits, Table C-3, 420-421
  In relation to population and other Government employment, 1943-67, table C-4, 422-423
  Summary, full-time permanent, as of June 1966-68, table C-1, 417
  Trends in workload and numbers, 421-422
Employment incentives for welfare recipients, 135
Employment Security, Bureau of, 305
Engraving and Printing, Bureau of 329
Environmental health, 127-128, 255-257
Environmental science services, 108
Environmental Science Services Administration, 224-225
Equal Employment Opportunity Commission, 347
Excise tax proposals, estimated effect of, on receipts, text and table, 59, 62
Executive Mansion, 90
Executive Office of the President, 189-193
Expenditures:
  Administrative budget, *see* Administrative budget
  Annexed budgets, table B-7, 410-411
  By agency, for each appropriation and fund account, analysis, 174-391
  By agency, summary, table 6, 46
  By function, distributed by agency, table 14, 155-168
  By function, summary, tables 1, A-2, 41, 396
  Effect of, on the economy, discussion, 72-73
  Explanation, 171-172
  Gross:
    Analysis of, 412-415
    Government-administered funds, table B-9, 412-413
    Public enterprise funds, by agency, table B-1, 403-404
    Trust revolving funds, table B-5, 409

Expenditures—Continued
Investment, operating, and other, analysis, 424–445
Investment, operating, and other, summary, table 7, table D–1, 47, 425
National income accounts, Federal sector:
Direct purchases as a percent of GNP, 73
Discussion, 12, 453
Explanations, text and table A–5, 400
Grants-in-aid, 73
Summary, table 3, 43
Relation of, in administrative budget, consolidated cash statement, and Federal sector of national income accounts, 1966–68, table A–1, 395
Relation of authorizations to, table 8, 48–49
Trust funds, *see* Trust funds
See also under particular programs
Export expansion program, 24, 92, 108
Export-Import Bank, 21, 92, 347
Export programs, special, 209–210
Expositions, U.S., participation in, 223
Extension Service, 201

F

Farm Credit Administration, 347–348
Farm financing, 99
Farm income stabilization, 96–98
Farmer Cooperative Service, 201
Farmers Home Administration, 212–213
Federal activities, analysis by function, 72–168
Federal-aid highways, *see* Highways
Federal assistance to the poor, 28, 133–134
Federal Aviation Administration, 319–321
Federal Bureau of Investigation, 302
Federal civilian employment, *see* Employment, Federal civilian
Federal Coal Mine Safety Board of Review, 348
Federal Communications Commission, 348, 384
Federal Crop Insurance Corporation, 211
Federal Development Planning Committee for Alaska, 344
Federal finances and gross national product, 1940–67, table 17, 454
Federal financial transactions, three measures of, 394–402
Federal Highway Administration, 321–324
Federal Home Loan Bank Board, 349
Federal Housing Administration, 277
Federal Maritime Commission, 349
Federal Mediation and Conciliation Service, 349
Federal National Mortgage Association, 278
Federal Power Commission, 350
Federal Prison System, 303
Federal purchases as percent of GNP, 73
Federal Radiation Council, 350
Federal sector accounts, *see* National income accounts, Federal sector
Federal Supply Service, 335
Federal Trade Commission, 350
Federal Water Pollution Control Administration, 298
Fine Arts, Comission of, 347
Fiscal operations, central, 150–152
Fiscal policy, Federal, stabilizing effect on National Economy, 8, 10
Fiscal program, discussion, 8–12
Fish and wildlife resources, 105
Fish and Wildlife Service, 287–293
Food and Drug Administration, 249–250
Food and Fiber, National Advisory Commission on, 96, 361
Food for Freedom, 21, 87, 92–93, 96
Food Marketing, National Commission on, 361
Foreign affairs, conduct of, 87–93, 313–314
Foreign agricultural assistance, 209–210
Foreign Agricultural Service, 205
Foreign assistance, self-help measures as a condition for recipients, 20
Foreign assistance, South Vietnam, 21
Foreign Claims Settlement Commission, 351, 384
Foreign countries, assistance to, for development, 87–92
Foreign currency, special programs, Defense, Department of—Military, 242
Foreign economic assistance, 196–198
Foreign information and exchange activities, 93
Forest resources, 103–104
Forest Service, 215–217
Former Presidents, *see* President of the United States
Franklin D. Roosevelt Memorial Commission, 351
Freedmen's Hospital, 270
Funds, types of, explanation, 170
Funds appropriated to the President, 193–199, 368–369

G

Gallaudet College, 9
Gas, Office of Oil and, 287
General Accounting Office, 186
General fund, explanation, 170
General government:
NOA and expenditures, 1966–68, distributed by agency, table 14, 162–163
Programs, analysis, 150–154
General Services Administration, 333–339, 382
Geological Survey, 285
Government-administered funds, gross expenditures of, table B–9, 412–413
Government-administered funds, purchases of, U.S. securities, table B–11, 414–415
Government civilian employment, Federal, State and local in relation to population, 1942–68, text and table C–4, 422–423
Government enterprises, borrowing by, table B–10, 413–414
Government organization, discussion, 33–34
Government Printing Office, 185
Grants-in-aid, national income accounts, Federal sector, 73
Grants-in-aid system, improvement of, 34
Great Society programs in relation to budget deficit, 10–12
Great Society programs vs. Southeast Asia Commitments, discussion, 7–8, 17
Gross national product and Federal finances, 1940–67, table 17, 454
Ground transportation, *see* Land transportation

H

Head Start, 28, 131–132
Health, National Institutes of, 259–261
Health assistance to developing countries, 20
Health and welfare programs:
  Analysis, 122–136
  Discussion, 26–29
  NOA and expenditures, 1966–68, distributed by agency, table 14, 160–161
  Planning assistance to States, 27
Health, Education, and Welfare, Department of, 249–272, 371–374
Health insurance, 125
Health professions manpower, 127
Health services, 124–125, 257–258
Highway beautification, 111
Highway safety, 25, 111
Highway Safety, National Bureau of, 323–324
Historical and memorial commissions, 351–352, 384
Home Rule, District of Columbia, 31
Hospitals:
  Freedmen's, 270
  Saint Elizabeths, 264
  Veterans, 146–149
House of Representatives, 176–179
Housing:
  Assistance, 119, 272–274
  Discussion, 25–26
  NOA and expenditures, 1966–68, distributed by agency, table 14, 159
  Program analysis, 113–121
  Private, aids to, 118–121
  Public, 117–118
  Rural, 99
Housing and Urban Development, Department of, 272–279, 375
Howard University, 269–270
Humanities, National Foundation on the Arts and, 355
Hunger, War on, 21, 87, 93
Hurricane disaster, Southeast, 199

I

Immigration, Western Hemisphere, Select Commission on, 362
Immigration and Naturalization Service, 302
Income tax, proposed legislation, 58–61
Income tax proposals, estimated effect of, on receipts, text and table, 59–63
Indian Affairs, Bureau of 281–283
Indian Claims Commission, 352
Indian lands, 103
Inflationary pressures, control of, discussion, 8, 10–11, 56
Information Agency, United States, 363–364, 387
Inspection activities, proposed user charges on, 62–63
Insurance, veterans' life, 149
Inter-American Development Bank, 92
Interest:
  Analysis of payments, text and table D–2, 149–150, 441
  NOA and expenditures, 1966–68, distributed by agency, table 14, 162
  Public debt, 332–333
  Rates, lower, need for, discussion, 9
Intergovernmental cooperation, discussion, 33–35
Intergovernmental relations, 276
Intergovernmental Relations, Advisory Commission on, 352
Interior, Department of the, 280–301, 376
Internal Revenue Service, 330–331
International activities (Commerce), 222–223
International affairs:
  Discussion, 20–21
  NOA and expenditures, 1966–68, distributed by agency, table 14, 155–156
  Program analysis, 87–93
International Agricultural Development Service, 205
International Boundary and Water Commission, 315
International commissions, 315–316
International Development, Agency for, *see* Agency for International Development.
International Development Association, U.S. Contribution to, 21
International financial institutions, 195
International Labor Affairs, Bureau of, 309
International organizations and conferences, 314–315
International Rules of Judicial Procedure, Commission on, 361
Interstate Commerce Commission, 353
Interstate Commission on the Potomac River Basin, 353
Interstate Highway System, 111
Intragovernmental funds, explanation, 170
Intragovernmental funds, reimbursement from non-Federal sources, text and table B–8, 411–412
Intragovernmental transactions excluded from consolidated cash statement, table A–4, 398
Investment in U.S. securities, Government-administered funds, text and table, B–11, 414–415
Investment, operating, and other expenditures:
  Analysis, 424–445
  By kind, agency, and program, table D–2, 428–445
  Summary, tables 7, D–1, 47, 425

J

James Madison Memorial Commission, 351
Job Corps, 28, 132
Judicial Procedure, International Rules of, Commission on, 361
Judiciary, the, 186–189, 368
Justice, Department of, 300–304, 376–377

K

Kennedy, Mrs. Jacqueline Bouvier, office of, 338
Kennedy, John F., Center for the Performing Arts, 359

L

Labor, Department of, 304–311, 377–378
Labor, Department of, proposed merger with Commerce Department, 33–34
Labor Affairs, International, Bureau of, 309
Labor-Management Policy, President's Advisory Committee on, 356
Labor-Management Services Administration, 307
Labor and manpower:
  NOA and expenditures, 1966–68, distributed by agency, table 14, 160
  Program analysis, 128–130
  Program discussion, 27
Labor Standards, Bureau of, 307
Labor Statistics, Bureau of, 309
Land combat forces, 81
Land Management, Bureau of, 280–281
Land for recreational use, Federal acquisition, 23, 24
Land resources, 98, 100–103
Land transportation, 111
Land and Water Conservation fund, proposed Advance appropriation for, 24, 104
Law enforcement, improvement in, proposed, 31
Law Enforcement, President's Commission on, 361
Legislation, proposed:
  Employment and unemployment taxes, 62
  Estimated effect of, on receipts from the public, text and table, 59–63
  Revolving funds for Rural Electrification Administration and power administrations, 63
  Social security benefits increase, 28
  Surtax on individual and corporate income tax, 9, 59–61
  Tax payments, corporate, acceleration, 9, 61
  User charges, 62–63
Legislative branch, 174–186, 368
Legislative functions, 150
Lewis and Clark Trail Commission, 351
Library of Congress, 183–185
Loan programs, Federal, *see* Credit programs; Foreign assistance
Logistics, defense, 84
Lunar manned landing and exploration, 22, 95

M

Management improvement, discussion, 33–36
Management improvement, expenses of, 194
Manned space flight, 94–95
Manpower Administration (Labor), 304–306
Manpower training, discussion, 27
Marine Resources and Engineering Development, National Council on, 191
Marine Science, Engineering, and Resources, Commission on, 191
Maritime Administration, 229–230
Maritime Commission, Federal, 349
Mars, unmanned exploration, 22, 95
Medical practice, community, updating of, 27
Medicare and medical assistance, 122
Medicare for disabled workers, 27
Mental health, National Institute of, 261–263
Message of the President on the Budget, 7–38
Metropolitan development planning 26, 116, 274–275
Migrant and refugee assistance, 317
Military assistance, 85, 195
Military personnel, 231–233
Military personnel, Active Forces, strength and composition, table, 79
Mineral resources, 105, 285–287
Mines, Bureau of, 285–286
Mint, Bureau of, 329
Missile programs, 19–20, 80
Model cities program, 25–26, 115
Model Secondary School for the Deaf, 269
Moon exploration, 22, 95

N

Narcotics, Bureau of, 330
National Advisory Commission on Food and Fiber, 361
National Aeronautics and Space Administration, 339, 382
National Aeronautics and Space Council, 191
National Agricultural Library, 214
National Air Pollution Control Center, proposed, 127
National Archives and Records Service, 36
National Bureau of Standards, 227–228
National Capital Housing Authority, 354, 384
National Capital Planning Commission, 354, 385
National Capital region, 121
National Capital Transportation Agency, 354–355
National Commission on Food Marketing, 361
National Commission on Technology, Automation, and Economic Progress, 361
National Council on Marine Resources and Engineering Development, 191
National defense, *see* Defense
National economy, *see* Economy, national
National Foundation on the Arts and Humanities, 355, 385
National goals in relation to the budget, 10–12, 38
National Guard, 83
National Highway Safety Bureau, 323–324
National income accounts, Federal sector:
  As a measure of Federal Government economic impact, 9–10, 72–73
  1940–68, table 16, 453
  Expenditures, text table, 11, 73
  Explanation of, 399–402
  Receipts, text and table, 11, 57–58
  Receipts and expenditures:
    1956–68, table 22, 468
    1966–68, table A–5, 400
    Summary, table 3, 43
  Relation of, to administrative budget and consolidated cash statement, 1966–68, table A–1, 395
  Relation to the consolidated cash statement, 399–400
National Institutes of Health, 259–261

National Labor Relations Board, 355
National Mediation Board, 355
National Park Service, 291–293
National Scenic Rivers System, proposed, 104
National Science Foundation, 355, 385
National Security Council, 191
National Technical Institute for the Deaf, 269
National Visitor Center Study Commission, 361
Natural beauty, preservation of, 23, 104
Natural resources:
  Discussion, 23–24
  Land and water, agricultural, 98
  NOA and expenditures, 1966–68, distributed by agency, table 14, 157
  Program analysis, 100–106
  See also particular resources
Neighborhood Youth Corps, 27, 132
New Obligational authority:
  Administrative budget, by function, table 20, 462–466
  By agency, for each appropriation and fund account, 174–391
  By agency, summary, table 5, 45
  By function, distributed by agency, table 14, 155–168
  By type and function, summary, table 4, 44
  Completeness of estimates for 1967 and 1968, 172–173
  Discussion, text table, 16–17
  Explanation, 170–171
  Major increases and decreases, by program, 17
  Public enterprise funds, by agency, table B–2, 406
  Relation of expenditures to, summary, table 8, 48–49

O

Obligational authority, balances of, by agency and type, table 10, 51
Obligational authority, new, *see* New obligational authority
Obligations:
  Incurred, explanation, 171
  Incurred, net, by agency, table 9, 50
  See also under program titles
Ocean shipping, 229–230
Oil and Gas, Office of, 287
Open space grant program, 115
Outdoor Recreation, Bureau of, 104, 283

P

Panama Canal, 247–248
Participation sales, Federal credit programs, text, table D–2, 15–16, 441, 448
Patent Appeals, Court of, 187
Patent Office, 226–227
Payments:
  Consolidated cash statement, 1940–68, table 16, 453
  Summary, text table, 11
  Transfer, under Federal programs, 73
Payments to the public:
  By function, 1956–68, table 21, 467
  By program, text table, 18
  Consolidated cash totals, table A–3, 397
  Summary, by function, text and table 2, 42, 74
Peace Corps, 92, 199
Pensions, veterans, 144–145
Permanent authorizations:
  Explanations, 171
  New obligational authority, summary of, by type, table 4, 44
  Summary, table 8, 48, 49
Personal property activities, General Services Administration, 335
Personnel, Federal:
  Compensation and benefits, text and table C–3, 420–421
  Pay raise for, 73
  Total, text and table, 418
Personnel, Federal, State and local, interchange of, 35
Personnel management, central, 153–154
Planning-programing-budgeting system, discussion, 36–38
Political Activity of Government Personnel, Commission on, 361
Pollution control, air and water, 23, 127
Post Office Department, 311–312
Postal rates, proposed increase, 25, 112
Postal service, 111–112
Poverty programs, 8, 17, 25, 27–28, 130–133
Power resources, electric, 100–102, 293–297
President of the United States:
  Compensation, 189
  Facilities for former Presidents, 338
  Funds appropriated to the, 193–199, 368–369
President's Committee on Consumer Interests, 310
Property management, 152–153
Property management and disposal activities, General Services Administration, 337
Protective services, Department of Justice, 154
Proton accelerator for basic research, 24, 86–87
Public administration, Federal, State, and local, training in, 35
Public assistance, 134–135
Public Buildings Service, 333
Public debt:
  Bureau of the, 330
  Compared with statutory limitation, end of year, table 11, 52
  Discussion and text table, 31–32
  End of year, 1789–1968, table 15, 452
  Interest on, 149–150, 332–333
  Summary, table 11, 52
Public enterprise funds:
  Analysis of, 403–408
  Balances, table B–3, 407
  Explanation, 170
  Gross expenditures and applicable receipts, by agency, table B–1, 403–404
  NOA and writeoffs, by agency, table B–2, 406
Public facilities development, 116–117
Public Health Service, 255–263
Public housing programs, 117–118
Public Land Law Review Commission, 362
Public land management, 280–284
Public Roads, Bureau of, 321–323
Public service career training, 35
Public welfare, 134–136
Public works acceleration, 199
Puerto Rico, Commission on Status of, 353, 384
Purchases of U.S. securities by Government administered funds, table B–11, 414–415

R

Railroad Retirement Board, 356, 385–386
Rama Road, Nicaragua, 317
Readjustment benefits, veterans', 145–146
Receipts:
  Administrative budget, *see* Administrative budget
  Annexed budgets, text and table B-7, 410–411
  By source, analysis, 56–69
  By source, 1966–68, detailed list, table 13, 64–69
  Consolidated cash statement, 1940–68, table 16, 453
  Economic base of estimates, 56
  Estimated changes in, 57
  Estimated effect of proposed legislation on, 59–63
  From the public:
    1956–68, table 21, 467
    By source, table, 58
    Consolidated cash totals, table A-3, 397
    Relation to Federal sector national income accounts, summary, table, 57–58
    Summary, by source, table 2, 42
  National income accounts, Federal sector:
    1940–68, table 16, 453
    1956–68, table 22, 468
    By source, text and table A-5, 400
    Discussion, 12
    Summary, table 3, 43
  Public enterprise funds, by agency, text and table B-1, 403–404
  Relation of, in administrative budget, consolidated cash statement, and Federal sector of national income accounts, 1966–68, table A-1, 395
  Summary, by source, table 1 and A-2, 41, 396
  Summary, text and table, 11
  Trust funds, *see* Trust funds
Reclamation, Bureau of, 293–295
Records activities, General Services Administration, 336
Recreation, Outdoor, Bureau of, 283
Recreational resources, 104
Redwoods National Park, proposed, 23, 104
Regional development, 25, 109
Regional medical programs, 27
Reimbursements from non-Federal sources credited to appropriations and intra-governmental funds, text and table B-8, 411–412
Renegotiation Board, 356
Rent supplement, low-income tenants, 25, 119
Repayments, major Federal credit programs, by agency or program, table, 447
Research:
  Agricultural, 100
  Basic, assistance to, 142
  Basic, Atomic Energy Commission, 86–87
  Biomedical, 127
  Defense, Department of, 83–84, 238–239
  Health, 122
  Proton accelerator for, 24, 86–87
  Space, 21–22, 93–95
  Urban and housing problems, 26, 117
  Water resources, 102–103
Reserve Forces, Defense, 83
Resources, natural, *see* under particular kinds
Résumé, budget, table 1, 41
Revenues, estimated changes in, 12, 58–59
Revenues, estimates of, *see* Receipts
Revolving funds, explanation, 170
Revolving funds, military, 242–244
Rural community life, improvement of, 22–23, 96, 132
Rural Community Development Service, 213
Rural electrification, financing of, 98
Rural Electrification Administration, 63, 211
Rural Electrification Administration borrowers, private financing for, 23
Rural housing, 99
Rural telephones, financing of, 98
Rural youth, 100
Ryukyu Islands, Army, 247

S

Saint Elizabeths Hospital, 264
Saint Lawrence Seaway Development Corporation, 325
Saline Water, Office of, 297
Saline water conversion, southern California, 23
Sample Household Survey, 24, 106
Scenic areas, preservation of, 23, 104
Science education, assistance for, 142
Science and technology, 224–228
Science and Technology, Office of, 192
Sea defenses, 81–82
Sea food resources utilization, international programs, 21
Sealift, defense, 82–83
Secret Service, U.S., 332
Securities, U.S., purchases of by Government-administered funds, table B-11, 414–415
Securities and Exchange Commission, 357
Selective Service System, 357
Self-help measures, recipients of U.S. assistance, 20, 93
Senate, 174–176
Ships, multipurpose naval, 81
Small business, aids to, 108
Small Business Administration, 357–358
Smithsonian Institution, 358–359, 386
Social Security Administration, 264–265
Social security benefits, proposed increase, 9, 28
Social security services, 134
Soil Conservation Service, 202
Soldiers' Home, United States, 248
South Vietnam, *see* Vietnam
Southeast Asia, cost of commitments, 75, 77, 90
Southeast Asia commitments vs. Great Society programs, discussion, 7–8
Southeast hurricane disaster, 191
Southeastern Power Administration, 296
Southwestern Power Administration, 296–297
Space research and technology:
  Discussion, 21–22
  NOA and expenditures, 1966–68, distributed by agency, table 14, 156
  Program analysis, 93–95
Special projects, White House Office, 189
Sport Fisheries and Wildlife, Bureau of, 289–291
Standards, National Bureau of, 227–228

State, Department of, 313–317, 378
State and local employees, training of, for community development, 26
State and local governments, Federal agency cooperation with, 34–35
State and local governments, technical assistance to, 35
Statistical Reporting Service, Agriculture, 203
Statistics, economic and demographic, 106
Statistics, Labor, Bureau of, 309
Strategic forces, Defense, 78–80
Submarines, nuclear powered, 81
Subversive Activities Control Board, 360
Supersonic air transport, civil, 25
Supplemental appropriations, 1967, recommended, discussion, 17
Supreme Court of the United States, 186
Surplus or deficit:
  Administrative budget, 1789–1968, table 15, 452
  Consolidated cash statement, 1940–1968, table 16, 453
  National income accounts, Federal sector 1940–1968, table 16, 453

T

Tariff Commission, 360
Tax, income, proposed surtax, 9
Tax Court of the United States, 360, 386
Tax payments, Corporate, proposed acceleration, 9
Tax proposals, estimated effects of on receipts, text and table, 59–63
Tax receipts, 58–59
Teacher Corps, 30
Teaching, improvement of, 30
Technical Services, State, Office of, 228
Television, educational, 30
Tennessee Valley Authority, 363
Territories, Office of, 284
Trade negotiations, special representative for, 192
Transfer payments, Federal programs, 73
Transportation:
  Aviation, 110–111
  Department of, 318–326, 379–381
  Discussion, 25
  General Services Administration activities, 336
  Land, 108, 111
  Program analysis, 110–112
  Water, 111
Travel Service, U.S., 224
Travel to the U.S., promotion of, 24, 108
Treasurer, Office of the, 331
Treasury Department, 326–332, 381
  Receipts:
    By fund, table B–4, 408
    By source, 1956–68, table 18, 455
    By source, detailed list, table 13, 68–69
    By source, summary, table A–2, 396
    Estimated effect of proposed legislation on, text and table, 60
    From the public, 58
  Revolving, expenditures and applicable receipts, table B–5, 409
  Summary, table 1, 41
Trust funds:
  Analysis of, 408–410
  Balances, table B–6, 409
  By agency, 368–391
  Disbursements and repayments, major credit programs, table, 447
  Expenditures:
    By agency, summary, table 6, 46
    By function, 1956–68, table 19, 460–461
    By function, distributed by agency, 1966–68, table 14, 164–168
    By function, summary, table 1, 41
    By fund, table B–4, 408
    By program, table, 18
    Investment, operating, and other, summary, table 7, table D–2, 47, 442–445
    Payments to the public, *see* Payments
    Relation of, to obligational authority, summary, table 8, 48
  Explanation, 170
  New obligational authority:
    By agency, summary, table 5, 45
    By function, distributed by agency, 1966–68, table 14, 164–168
    By type and function, table 4, 44
  Obligational authority, balances of, summary, table 10, 51
  Obligations incurred, net, by agency, table 9, 50

U

Unemployed fathers, public assistance and work training for, 29
Unemployment, slum area, programs to reduce, 27
United States Arms Control and Disarmament Agency, 363
United States Information Agency, 93, 363–364, 387
United States Secret Service, 332
United States Soldiers' Home, 248
United States Territorial Expansion Memorial Commission, 351
United States Travel Service (Commerce), 224
Upward Bound project, 132
Urban planning and development, 113–115, 274–275
Urban renewal, 25–26, 272–274
Urban research, 26
User charges, 62–63

V

Veterans Administration, 340–343, 382–383
Veterans' benefits and services:
  Discussion, 30–31
  NOA and expenditures, 1966–68, distributed by agency, table 14, 161
  Program analysis, 142–149
Veterans' Reemployment Rights, Bureau of, 307
Vice President of the United States, 174
Vietnam, economic assistance to, 21, 90
Vietnam, military assistance funding, 85
Vietnam conflict, cost of, 9, 75–77
Vietnam conflict, logistics for, 19, 20
Vietnam and Korean conflicts, comparison of effect of, on national economy, discussion, 8

Vietnam veterans, benefits for, 30-31, 143
Virgin Islands Corporation, 300
VISTA (Volunteers in Service to America), 132
Vocational education, expansion, 30
Vocational Rehabilitation Administration, 253-254

W

Wage and Hour Division, 307
Wage and labor standards, 307-308
War on hunger, 21, 87, 93
War on poverty, 8
Water development, 293-297
Water pollution, 23
Water Pollution Control Administration, Federal, 298
Water resources, 23-24, 100-103
Water Resources Council, 364-365
Water Resources Research, Office of, 299
Water transportation, 111
Weather Bureau, 226
Weather programs, 24
Welfare Administration (HEW), 266-268
Welfare, public, 134-136
Western Hemisphere Immigration, Select Commission on, 362
White House Office, 189
Wildlife resources, 105
Wildlife, *see also* Fish and Wildlife; Sport Fisheries and Wildlife
Women's Bureau, 307
Woodrow Wilson Memorial Commission, 352
Work training programs, 27, 29, 132
World Weather Watch, 24

Y

Youth development program, proposed, 134

○

EDGE INDEX

Budget Message of the President

Summary Tables

Receipts

FEDERAL PROGRAM BY FUNCTION
- Analysis of Federal Activities by Function
- New Obligational Authority and Expenditures by Function and Agency

FEDERAL PROGRAM BY AGENCY
ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES

DEPARTMENTS
- Legislative Branch
- Judiciary
- Executive Office of the President
- Funds Appropriated to the President
- Agriculture
- Commerce
- Defense—Military
- Defense—Civil
- Health, Education, and Welfare
- Housing and Urban Development
- Interior
- Justice
- Labor
- Post Office
- State

Continued in next Column

DEPARTMENTS AND FEDERAL PROGRAM BY AGENCY, ETC.
- Transportation
- Treasury
- Atomic Energy Commission
- General Services Administration
- NASA
- Veterans Administration
- Other Independent Agencies
- District of Columbia
- Special Allowances
- Trust Funds
- Memorandum—Annexed Budgets

Continued from First Column

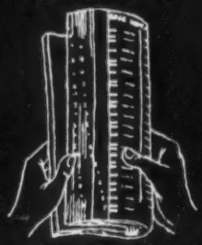
SPECIAL ANALYSES
- A — Three Measures of Federal Financial Transactions
- B — Public Enterprises, Trust Funds, and Gross Expenditures of the Government
- C — Civilian Employment in the Executive Branch
- D — Investment, Operating, and Other Expenditures
- Federal Credit Programs (Excerpt)

Historical Tables

A to Z Index

LICENSE NO. 617 MACHOL EDGE INDEX. U.S. PATENT NO. 2680630 TEN FOREIGN PATENTS ISSUED

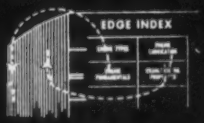
HOW TO USE THE EDGE INDEX



Bend the pages of the book nearly double and hold them that way with your right hand as shown.

Locate the listing you want in the Edge Index.

Match up the 1 or 2 line symbol next to the listing you have selected with the corresponding 1 or 2 line symbol on the page edge and OPEN THERE.



The listings in the left hand column of the Edge Index will be identified by the line symbols in the first or left hand row; the listings in the right hand column by the line symbols in the right hand row.